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6 January 1984

## Southeast Asia Report

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## AUSTRALIA

### S. KOREA, U.S. CONSIDER \$800 MILLION WESTERN AUSTRALIA PROJECT

Canberra THE AUSTRALIAN in English 21 Nov 83 p 11

[Article by Don Kirkwood]

**[Text] HIGH-LEVEL** discussions directed towards the establishment of an \$800 million aluminium smelter in the south-west of Western Australia will take place in Perth today.

Representatives of South Korea's ICC construction company and the Reynolds Aluminium Co of the US will meet a WA Government task force led by the former head of the State Electricity Commission, Mr Bruce Kirkwood.

ICC has been negotiating with the State Government for more than a year on the project and has established an office in Perth.

Reynolds has a 40 per cent interest in the \$1150 million Worsley alumina project, which is due to come on stream at the end of the year.

#### Shelved

Worsley, which will produce about one million tonnes of alumina a year, is coming on stream at a time of grave world weakness in alumina prices.

But that is not the position with aluminium metal, which is enjoying strong demand and high prices.

A new smelter would derive its power from WA coal deposits in the south-west, some of which are owned by CSR Ltd.

CSR has investigated the possibility of establishing a smelter in WA but the project has been shelved for the time being.

The ICC-Reynolds project would be directed at the South Korean market.

South Korea has only one very small smelter and imports most of its rapidly growing requirement.

The industry believes that the optimum size for a new smelter is one with a capacity of 200,000 to 250,000 tonnes of metal a year.

Such a plant would cost around \$800 million, and while South Korea could not at present absorb its entire output, it would certainly be able to consume at least half its annual production.

At this stage it is believed that no other parties are involved in the discussions. But there will be a need to seek Australian equity to comply with Foreign Investment Review Board requirements.

One possible Australian candidate is The Broken Hill Proprietary Co Ltd, which has a 20 per cent interest in Worsley.

BHP is having difficulty finding satisfactory outlets for its full share of the refinery's production.

An interest in a smelter with a reasonably assured market would be a very attractive proposition, particularly if BHP is still interested in establishing a presence in the aluminium industry.

It has certainly shown an interest in the past, when it got to the stage of planning a smelter in the Hunter Valley in NSW. But this project was scrapped.

CSR could also be interested, but even if Reynolds and ICC decide to go ahead and cannot find Australian partners, it is possible the FIRB would waive its Australian equity requirement.

CSO: 4200/264

## USSR SIGNS \$260 MILLION WHEAT DEAL.

Melbourne THE AGE in English 22 Nov 83 p 3

[Article by Ken Haley]

[Text] Canberra.--The biggest wheat sale Australia has made to the Soviet Union--one worth \$260 million--was announced yesterday, capping the greatest marketing blitz in the history of the Australian Wheat Board.

"We've never sold as much wheat as quickly as we have this year," a board spokesman said. The Soviet deal is for 1.5 million tonnes of wheat which will recoup \$100 million more than last year's purchases by the Soviets.

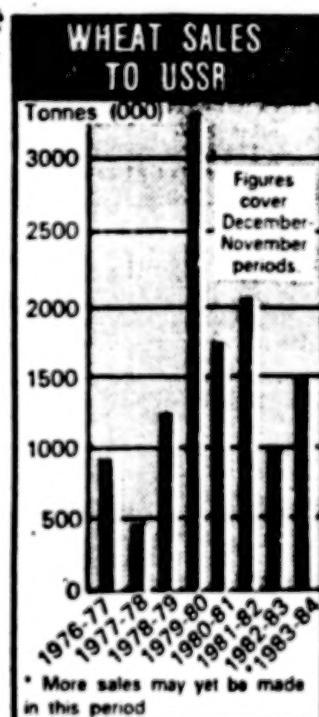
China bought 2.5 million tonnes in two purchases — July and last month. Egypt has contracted to buy 2 million tonnes and last week Iraq agreed to import 1.25 million tonnes. Sales of Australian wheat so far this year will total about \$1200 million.

Australia's exports of wheat — our biggest rural moneyspinner — are expected to gross \$2240 million this financial year.

Soviet and Australian negotiators signed the \$260 million deal in Moscow late last week. A mixture of Australian Standard White, Hard and Prime Hard varieties will be shipped in Soviet and other foreign vessels in the first half of 1984.

The general manager to the wheat board, Mr Max Moore-Wilton, said: "The size of the sale is particularly pleasing and confirms the continuing trading relationship established over many years with the Soviet Union and Exportkhleb, (Moscow's grain trading organisation)."

Latest estimates put 1984 export consignments of wheat at 14 million tonnes, two thirds of the record 19-million-tonne production forecast and twice last year's exports.



Last year the board sold a million tonnes to the Soviet Union from a crop severely depleted by drought. The highest aggregate sales from Australia to the Soviet Union were in 1979-80 but those 3.3 million tonnes were exchanged through several contracts.

Executive director of the Australian Wheatgrowers'



Federation, Mr Ian Wearing, said yesterday the latest transaction was especially good news as higher volumes had been traded in years when the USSR had suffered "spectacular crop failures" that did not occur this year.

Mr Wearing said that, despite the Soviet's long-term policy of increased crop production and self-sufficiency, "I don't think you'll see any loss of that market if you look at an increase in their standard of living over the next 20 years".

He said that selling to communist countries such as the Soviet Union and China caused no disquiet among the Australian farming community. "You don't resolve any international conflicts

by refusing to trade or refusing to talk," he said.

The Soviet Union is expected to grow 80 million tonnes of wheat this season. Originally, it hoped to produce 90 million tonnes but that

projection has been cut back by bad weather.

Australia will rank with the EEC as the fourth biggest provider of wheat to Soviet citizens, behind the United States, Canada and Argentina.

CSO: 4200/265

## FEDERAL BUDGET DEFICIT FIGURE INCREASES

Brisbane THE COURIER MAIL in English 18 Nov 83 p 18

[Text]

**CANBERRA.**— The Federal Budget deficit rose \$1,569 million last month taking the deficit so far this financial year to \$5,818.9 million according to figures released by the Finance Minister, Mr Dawkins, yesterday.

The Federal Budget estimate for the deficit this financial year is \$8,361.5 million. The deficit usually rises strongly in the first half of the financial year but slows in the second half.

In the first four months of this financial year Commonwealth outlays totalled \$18,171 million, up 19.4 percent on the same period last year, while receipts rose \$12,352 million, up 0.8 percent.

The Budget estimate of growth in spending over the year was 15.8 percent.

Government outlays in October were 18.3 percent higher than in the same month last year and well down on the 41.6 percent increase in September compared with September last year.

Defence spending rose \$353 million on the four months last financial year, education was up \$208 million, health rose \$168 million and social security and welfare payments rose \$1,177 million.

The rise in social security payments included an extra \$369 million in unemployment benefit payments because of higher unemployment and increases in benefits.

Spending on housing rose \$56 million, mainly because of higher payments for welfare housing.

Outlays on labor and employment rose \$89 million, foreign affairs and overseas aid spending increased \$44 million and spending on administrative services was up \$87 million.

Payments to the states rose \$380 million, mainly because of a \$361 million rise in the amount paid under tax sharing and health grants arrangements.

Public debt interest rose \$228 million, largely because of interest payments on new issues of Treasury bonds, Australian Savings Bonds and overseas debt in the second half of last financial year.

Mr Dawkins said the impact of borrowings this financial year would become more apparent in the second half of this financial year.

On the receipts side, Pay As You Earn tax was down 13.6 percent on the first four months of last financial year but this was mostly offset by growth of 21.6 percent in sales tax and excise receipts.

Mr Dawkins said the net result was that total taxation revenue to the end of October was only marginally lower (0.2 percent) than in the same period last year.

Company tax collections in the four months were \$1048 million.

Receipts collected under Taxation (Unpaid Company Tax) Legislation totalled \$96.1 million.

Collections under the bank accounts debits tax amounted to \$60.2 million.

CSO: 4200/264

AUSTRALIA

HAWKE: GREATEST ECONOMIC TURNAROUND IN 20 YEARS

Melbourne THE AGE in English 21 Nov 83 p 7

[Article by Michelle Grattan]

[Text]

BANGKOK, 20 Nov. — The Prime Minister, Mr Hawke, predicted at the weekend that Australia's wage growth would be held to between 4 and 5 per cent or even less in 1984.

Mr Hawke, in another of his highly optimistic, talk-the-economy-up speeches, told a Darwil Business breakfast, before leaving for Budget, that Australia was undergoing its greatest economic turn-around for 20 years.

He said Australia's competitive position with its trading partners was improving and would continue to do so.

Australia's inflation rate was falling while just in the OECD rate generally was rising.

The "great secret" of the Government's economic policy, Mr Hawke said, lay in the wages area.

"More than 60.5 per cent of unions have accepted the accord and signed on the line. That has never happened before."

"So business knows what their wages position is. They know what the next run is likely to be."

Mr Hawke said he believed the December quarter consumer price index rise would be 3.5 per cent. The March quarter would be negative, because of the effect of Medicare.

"So businessmen are looking in 1984 at a wage increase of no more than 4 to 5 per cent, if that," he said.

Mr Hawke said the economy was turning around from a 2 per cent decline to a projected growth of about 6 per cent — a "massive turnaround".

The Government had been able to finance the \$3400 million deficit while at the same time getting interest rates to fall.

The Prime Minister said that as the private sector started to pick up more strongly, the Government would "roll-in" the public sector's demands on financial markets.

Questioned on the uranium issue, Mr Hawke said the Government's policy on uranium was a major headache for Labor in the Northern Territory election because it banned new mines in the territory.

Mr Hawke admitted the decision was open to criticism, but it had a number of "balancing" considerations, including political negotiations in Assembly, and international reaction.

"I simply say that our judgment is that the appropriate decision is the one the Government has made."

CSO: 4200/265

TELEVISION INDUSTRY SUBSIDY AGAINST JAPANESE IMPORTS REPORTED

Melbourne THE AGE in English 21 Nov 83 p 1

[ "The Economy Column" by Kenneth Davidson: "Secret TV Deal Adds \$200 to Set Price" ]

[Text]

CANBERRA.—Australians have been paying around \$100 to \$200 more for large color TV sets to protect Australian manufacturers from the Japanese.

As the market for color TV has reached saturation point in Australian households there has been an income transfer over the past decade of some \$500 to \$800 million from households to the manufacturers and the Japanese exporters of color TV.

The subsidy is equivalent to around \$30,000 a year for each job being kept in Australia, even though the pay packet for most in the industry would be between a half and two thirds of that amount.

Although subsidies are common, this one is special. It was done in secret by, or on behalf of, the previous Government.

The electors, the people who buy TV sets, were never asked to approve the real protection given to the industry. Nor were they told about it. All that was known publicly was that there was a duty on imported color television receivers of 35 per cent.

But this was not the real protective device. The real one was a Voluntary Export Restraint (VER) negotiated secretly with the Japanese to limit their ex-

port of large color TVs to 5 per cent of the Australian market.

The secret deal came into the public domain when the industry asked the Industries Assistance Commission for a complete prohibition on the importation of all large sets — which would seem a bit greedy when they already had 85 per cent of the market under the secret agreement.

The real problem for the Australian manufacturers (and the Japanese exporters) is that the voluntary agreement will break down in 1984 in any case.

Australia uses the AEG-Telefunken PAL system in color TV transmission, which becomes free of patent restrictions next year.

This means that manufacturers in places such as Taiwan and Korea will be able to make and export PAL TV sets, so the VER with Japanese manufacturers who now export under licence will be worthless.

Thus the need for explicit restraints on imports because the Japanese exporters will no longer be able to keep their end of the secret bargain.

It was a cosy deal which suited all the participants: the Japanese exporters, because they

could charge high prices and enjoy super profits, because they knew they were limited to 5 per cent of the market; the Government, because it provided huge protection on a sensitive consumer item without anybody realising it; and it obviously suited the local industry, which knew about the VER if only because the Australian manufacturers are now largely owned by the Japanese anyway.

The Industries Assistance Commission, which exposed the VER in its report on the industry published last week, recommended that the industry should receive no more than 25 per cent tariff protection, reducing to 15 per cent over two years.

The Hawke Government is now presented with the choice of a continued loss of consumer welfare to the extent of some \$80 million a year, or the quicker rather than slower destruction of around 2000 manufacturing jobs.

The real question for the Government is: would \$80 million a year extra in the pockets of consumers (if spent) generate 2000 or more jobs in other industries and industries that were more economically efficient than the manufacture of TV sets?

To my mind, the answer is obviously yes.

AUSTRALIA

ENERGY MINISTER FORESEES OIL EXPORTS

Melbourne THE AGE in English 23 Nov 83 p 20

[Article by Ian Davis]

[Text] Canberra.--The Minister for Resources and Energy, Senator Walsh, yesterday raised the possibility of Australia becoming an oil exporter.

In a speech to the Mining Club of New York, Senator Walsh said Australia no longer faced the possibility of a decline in its ability to meet its own oil requirements from local discoveries.

He said that as a result of recent oil finds, projections of Australian self-sufficiency after 1984 had been increased.

Because crude oils found in Australia are "light" crudes, Australia will have to import about 30 per cent of its needs to supply heavy fuel oils and bitumen requirements.

But Senator Walsh said yesterday that contrary to earlier expectations that Australian self-sufficiency would decline after 1984 "we now have production potential surplus to domestic needs.

"That surplus is likely to last some years and could increase considerably," he said.

Senator Walsh said the recent discovery of the Jabiru oil field and the prospects of other relatively unexplored areas off the north-west coast of Western Australia had enhanced the possibilities of an oil surplus.

The Minister said the Government intended to "maintain incentives to exploration, development and production".

The Minister told the same audience that he expected to have a model of the Government's proposed resource rent tax scheme ready for discussion with the petroleum industry, the States and other interested parties before the end of the year.

He added further to the details of the proposed tax scheme which he has been progressively announcing in recent months. He said there would be no distinction between "new" and "old" oil once the tax is introduced. The tax rate would increase as the return on funds invested increased and deductions for unsuccessful exploration would be saleable, by one explorer to another.

CSO: 4200/266

NEW SOUTH WALES CONSIDERS CASH IMPOSTS ON MINERS

Canberra THE AUSTRALIAN in English 21 Nov 83 p 12

[Article by Alan Goodall]

[Text]

MINING companies will be liable for open-ended cash payments to the Minister for Resources on mining transfers under Mining Act amendments due to be pushed through NSW Parliament this week.

A bill expected to be passed on Tuesday also allows for retrospective charges on mine site rehabilitation.

The NSW Chamber of Mines made a last-minute appeal to the Minister for Resources, Mr Stewart, yesterday but failed to budge him on these two new imposts.

The Premier, Mr Wran, is understood to be adamant that mining companies must contribute to State revenue from windfall profits.

Mining industry leaders warned last night the new provisions will restrict minerals exploration and mine development in the State.

Companies see the amendments as disincentives that will react against fresh investment and hold back potential mine employment and State revenue.

Minerals earn more than \$2000 million a year in NSW where capital investment in 1981-82 was \$816 million.

The chamber's executive director, Mr Ken Horler, described the issues as "major"

in a written submission to the minister - "and to some of our members they are crucial."

"The ability and willingness of the Government to provide a suitable environment in major resource development projects is now seriously questioned," he said.

"The effect of the tax will be to increase the costs of companies participating in resources development. In comparison with other States, NSW will be disadvantaged."

Mining company executives last night said NSW mining operations would be unique in the imposts the Government was determined to impose.

Under the proposed section 107 (2b), the minister "may by instrument in writing specify the cash payment subject to which the minister shall be prepared to approve an application".

Mr Stephen Lacher, a legal adviser to the Chamber, said there would be no limit to the cash payment to the minister. The method of calculating payment was unknown.

"Unfortunately, the issue is not negotiable," he said.

Mr Lacher said a law to make environment rehabilitation charges retrospective would allow the minister to impose conditions during the life of a lease already approved.

## QUEENSLAND REPORT ADVISES HIGH TECHNOLOGY ECONOMY

Brisbane THE COURIER MAIL in English 17 Nov 82 p 1

[Article by Tony Koch]

[Text] QUEENSLAND should take a leading role in technological development to overcome the state's low productivity growth, according to a confidential report studied by State Cabinet last week.

It warns that demand for the state's energy resources will decline in the future.

The report says that in the decade to 1980-81, Queensland experienced a population growth which was an average 1.1 percent a year faster than Australia as a whole.

"Thus, in per capita terms, Queensland's economic growth rate was not significantly greater than Australia as a whole and this was not good in relation to countries which successfully developed export-oriented manufacturing industry," it says.

"Despite the very strong growth of Queensland's key minerals sector — which directly employs only 2 percent of the workforce — the relatively low productivity growth of other sectors did not permit a high overall rate of growth in per capita State product."

The 116-page report, titled "Towards a Strategy For Technological Development in Queensland," was commissioned by State Cabinet on March 21, when the Co-ordinator-General, Mr Schubert,

was asked to investigate and report on "the steps appropriate to the development of new technology in Queensland".

Mr Schubert's report recommends that government agencies, businesses, industry and academic institutions be asked for future input and that the Government establish a Queensland Science and Technology Council.

It recommends that a Government Technology Committee be established under the chairmanship of the Co-ordinator General and that he take a leading role in facilitating the infrastructure required to stimulate technological development.

The report concludes that the rapid growth in the mining and mineral-processing industries will be more difficult to achieve in future because most such projects are capital-intensive and Queensland is now a high-cost area in the construction industry.

"Competition from other countries has intensified in the most rapidly growing and profitable mineral industries such as coal," the report says.

"The likely stabilisation of energy prices over the next few years will slow demand for the State's energy resources."

The report recommends that the Queensland Science and Technology Council report

within six months with particular reference to mechanisms to increase interaction between industry, government and tertiary institutions; and support for the innovation process with particular reference to the role of a private venture finance industry.

"The role of the Queensland Government should be to facilitate the operation of a venture capital market in Queensland by creating a supportive environment," the report says. "The Government should not, at this time, establish a venture finance scheme of its own."

### Job losses

The report warns of negative public reaction to the introduction of technology because of the fear of job losses and claims Australia, and in particular Queensland, has a low-skill and low-education workforce.

"Australia does not have a particularly heavy emphasis on higher education in comparison with some countries which have successfully developed technology-based industry," it states.

"For example, 60 percent of Australia's 15-19 age group are already in the workforce, compared with 24 percent in Japan and 28 percent in the US."

"The numbers involved in tertiary education in Australia are only half the proportion in

Japan and one third the proportion in the US.

"In comparison with the rest of Australia, Queensland has a lower-skill workforce. For example, 57 percent of the Queensland population left school at 15 or earlier, com-

pared with 49 percent for Australia as a whole.

"Of those with formal qualifications, Queensland has a lower-than-average proportion with degrees and a higher-than-average proportion with trade qualifications.

"While workforce skills may be appropriate to existing industry, the development of technology-based industries on any significant scale will require increased attention to this question."

CSO: 4200/264

DROUGHT, HEAVY LATE RAINS CAUSE \$50-75 MILLION CROP LOSSES

Perth THE WEST AUSTRALIAN in English 19 Nov 83 p 1

[Article by Michael Zekulich, agricultural reporter]

[Text] An area in the eastern wheatbelt as big as Tasmania is having a demoralising crop year. Its problems will be a significant blow to the State's economy.

Estimates yesterday indicate a loss of income of \$50 million to \$75 million.

A late start to the season and lack of finishing rains dashed hopes for a good season.

The worst zone is centred on the Merredin-to-Southern Cross line.

The shires involved, according to the Merredin Agriculture Department office, include Yilgarn, Westonia, Merredin, Nungarin, Trayning, Mt Marshall, Narembeen and parts of Koorda.

The situation will put tremendous financial pressure on many producers.

The Merredin shire president, Mr Joe Crook, said at his farm yesterday that many growers would need government help to put in their 1984 crop.

"It is a very frightening situation," he said.

"The crops generally are low-yielding and much of the grain is light in weight and small."

Weight

Rain in the past week is expected to make the problem of light-weight grain even worse.

There have been extensive falls in what has been cold, bleak wintry conditions.

People spoken to in the area said they could not recall such November weather.

Had the rain come four to five weeks ago, it would have meant millions of dollars to farmers.

Harvesting has come to a complete halt because of the wet. When the harvesting is over many farmers are expected to apply for drought declarations.

The rains will also spoil summer feed quality.

Mr Crook said the impact of the season was already being felt in the Merredin business community.

"I know weather conditions are part of the farming game but it is very frustrating and worrying, particularly for the younger farmers trying to establish themselves," he said.

"Half the last 12 years or so have been below average.

"During that period farmer costs have risen dramatically.

"Some of this year's light and small grain would not make good pig feed.

"The odd forced sale we have already seen could be the tip of the iceberg."

CSO: 4200/264

QUEENSLAND LABOR PARTY OPPOSITION TO URANIUM MINING

Brisbane THE COURIER MAIL in English 19 Nov 83 p 4

[Text]

**THE State Labor Party caucus is expected to confirm a resolution of total opposition to uranium mining in Queensland.**

This is expected to extend to a resolution that a future Labor Government would cancel any uranium mining contracts in existence in Queensland.

A Parliamentary Labor Party spokesman said the resolution to be moved at Monday's meeting was that: "The party is totally opposed to any new uranium mine in Queensland and reaffirms its direction to companies involved in the Ben Lomond proposal that a Labor Government would not condone mining or processing uranium ore."

The resolution also calls on the Federal Government to refuse any application for an export licence for the project at Ben Lomond, and asks the Government to apply strong pressures on the French Government to stop nuclear testing in the Pacific.

The Federal Government also will be asked to stand by its stated policy not to issue an export licence for Queensland uranium, particularly from the Ben Lomond project.

A Sydney report said a new uranium inquiry has been commissioned by 150 environmental groups following the Federal Government's recent decision on uranium mining.

Entitled "Nuclear weapons and other consequences of Australia's involvement in uranium mining", the inquiry will consist of a four-member committee, to be headed by Professor Charles Kerr, professor of preventive and social medicine at the University of Sydney, and member of the 1976 Farang uranium inquiry.

In Melbourne, ALP uranium activists met the Aboriginal Affairs Minister, Mr Holding, yesterday after occupying his electorate office for more than two hours.

About 20 members of the Movement Against Uranium Mining took over the St Kilda office about 12.30 p.m., demanding to see the Minister to discuss his vote in caucus for new uranium mining contracts.

Mr Holding was at a meeting of Aboriginal Affairs Ministers, but later came to the office to meet the protesters.

He said he was unhappy about having to vote in favor of mining at South Australia's Roxby Downs project, but he had been bound by Cabinet solidarity to do so.

CSO: 4200/264

## AUSTRALIA

### LABOR PARTY LEFT WING OPPOSITION TO URANIUM DECISION CONTINUES

Melbourne THE AGE in English 22 Nov 83 p 6

[Article by Ian Davis and Paul Chadwick]

[Text]

Left-wing members of the Labor Party's backbench yesterday continued to attack the Government's uranium decision, with Queensland Senator George Georges criticising Cabinet for ignoring party policy.

"The party has been opened up by the decision and it is all so unnecessary," Senator Georges said.

He said a meeting of about 50 members of the Left wing of the Queensland branch of the Labor Party on Sunday "condemned those Queensland ALP members of the Federal parliamentary Caucus who voted for the move to expand uranium mining in contravention of party policy."

Last Thursday, two other backbenchers, Mr Peter Milton (Vic) and Mr John Scott (SA) rejected a request from the Prime Minister Mr Hawke in a letter to Caucus that they support the Government's uranium decision both inside and outside the party.

Another backbencher, Mr Gerry Hand (Vic), angrily criticised Mr Hawke for comments in an interview with a French business magazine which appeared to leave the way open for Australian uranium sales to France from October, next year.

Senator Georges said Sunday's meeting had been called following his announcement in the Senate after the Caucus uranium vote, that he would go back to the people who elected him and see if he was still of any use to them.

The meeting had decided he should not resign, Senator Georges said.

"The fundamental problem which we face is whether policy is to be determined by the rank and file or whether it will just be imposed by Cabinet on Caucus," he said.

Senator Georges, the only Federal Parliamentarian at Sunday's meeting, said the meeting had declared its intention to have the Government decision overturned by the ALP national conference next July.

In Victoria, the Premier, Mr Cain, will not attend the Victorian Labor Party's special conference on uranium at the weekend, but yesterday reaffirmed his Government's opposition to the nuclear industry.

Mr Cain said: "I arranged some weeks ago to be away from Melbourne during that two days. I don't believe any good purpose is served by my coming back for that conference."

The great mass of the electorate including people outside the Labor Party supported the State Government's Nuclear Activities Prohibition Act, passed earlier this year, Mr Cain said.

He said the legislation "seeks to keep the nuclear cycle and uranium processing out of this State altogether".

"We don't want a bar of it ... and this Government intends to

implement that legislation, and force it as far as we can within our constitutional powers."

Mr Cain said that at the same time Victoria recognised the rights of States such as South Australia and Queensland to pursue policies they saw fit.

The Federal Government had obligations under export powers, he said.

"It means we have got our own policy here which we have implemented. We intend to protect Victorians from nuclear energy and all that goes with it. What other States do is a matter for them," he said.

The Nuclear Activities Prohibition Act prohibits exploration for and mining of uranium; construction and operation of nuclear reactors or facilities for milling, enrichment, reprocessing, storage or disposal of uranium; the possession, sale, transport or disposal of certain nuclear materials except those necessary for medical or research purposes; and the SEC from generating electricity using nuclear reactors.

In its explanation of the legislation, circulated last March, the Government said: "Victoria's international stance on these issues is destined to establish a pattern, at least in the Australian context."

CSO: 4200/265

## FEDERAL REFERENDUM CAMPAIGN LAUNCHED, WESTERN AUSTRALIA 'PIVOTAL'

Melbourne THE AGE in English 22 Nov 83 p 6

[Text]

SYDNEY. — The Attorney-General, Senator Evans, yesterday launched the Federal Government's referendum campaign for simultaneous elections and four-year terms, but admitted that it would probably not get support in Queensland and Tasmania.

Senator Evans said this would make Western Australia the "pivotal State" in gaining acceptance for the proposals, which must be supported by a majority of voters in four States, as well as a majority nationally.

Senator Evans was speaking in Sydney where, with the State Attorney-General, Mr Landa, he launched a media information kit on the proposals.

But he said the kit should not be confused with the official "yes" and "no" cases for the referendum which the Australian Electoral Office would post to enrolled voters late in January.

Senator Evans said simultaneous elections would make separate half-senate elections unnecessary and save \$17 million each time this happened. The referendums were important for the capacity of any government to effectively govern, he said.

The five proposals that will appear on the ballot paper on 23 February are:

- Simultaneous elections — to ensure that election for the Senate and the House of Representatives

will always be held on the same day, and to adjust the terms of senators accordingly.

- Parliamentary terms — to extend the maximum life of Parliament from three to four years.

- Interchange of powers — to enable the Commonwealth and States to refer powers to each other by mutual agreement.

- Advisory jurisdiction of the High Court — to enable the Commonwealth, the States and the Northern Territory more easily to obtain from the High Court its views on certain constitutional questions.

- Removal of (about 20) outmoded and expended provisions — to remove from the Constitution certain provisions that we have no further application or relevance.

The referendum bills were passed by Federal Parliament last week and were supported by the Opposition.

Asked whether the Government expected support from all States, Senator Evans said: "I am not enormously optimistic about support from either Queensland or Tasmania and I think the reality is it is going to be very difficult to get a majority from those two States.

"But with the very strong support now for the very popular Government in Western Australia, that could be crucial consideration," he said.

CSO: 4200/265

COLUMNIST VIEWS DEFENSE POLICY RIFT BETWEEN MINISTERS

Canberra THE AUSTRALIAN in English 23 Nov 83 p 7

[Article by Peter Young in the "Defense" column: "Policy Control Clash Looms Between Scholes and Howe"]

[Text]

A CLASH seems to be looming between the Minister for Defence, Mr Scholes, and the Minister for Defence Support, Mr Howe, over what Mr Scholes sees as a challenge to his overall control of defence policy matters and his position as senior minister.

Legally Mr Scholes has a watertight case in that under the administrative arrangements gazetted in July, the Minister for Defence Support is charged with the administration of all aspects of defence support including defence procurement, government factories and the development of industry, but only "within the defence policies approved by the Minister for Defence".

But some of Mr Howe's statements over the past few months would seem to indicate he believes this limitation is open to interpretation - though to be fair, his responsibilities at the beginning of the defence procurement chain cannot but take him into areas of defence policy.

As a result, relations between the two departments have become increasingly cool, coming to a head at the time of the defence statement last month when Mr Howe tabled a separate report, details of which had not been cleared with Mr Scholes' office and which in some cases differed from Mr Scholes' views on defence industry.

The problem is believed to date from differences over resources and policy before the Budget. These differences developed to such an extent that the Prime Minister became involved and asked his own departmental head, Sir Geoffrey Yeend, to mediate in the dispute between the two departments.

Since then, the breach has widened from a simple demarcation dispute

into differences of style and performance, with more than a whiff of intra-party factionalism in the air.

### Cumbersome

Some saw the allocation of what they saw as the relatively junior and unimportant portfolio of defence support to Mr Howe as little more than a sop to the Victorian Left. The fact that Mr Howe is now seeming to outmanoeuvre and outperform Mr Scholes is causing some disquiet within the right and centre right wings within Government.

To an extent they are right. Despite his commitment to the portfolio and the way in which he is tackling defence from the ground up, Mr Scholes is not the best of public performers.

He was also slow to take a firm grip on his department, and in addition to being limited by cost restraints imposed by the previous government, he is also saddled with a conservative and cumbersome bureaucracy.

He also suffered from the poor handling of the self-inflicted problems of the virtual abolition of the school cadet corps, service retirement benefits and taxation concessions for the reserve - all of which received a poor press at the time. He suffered a further loss of credibility when forced to climb down on conditions of service for regular and part-time soldiers.

Mr Howe, on the other hand, is energetic in his determination to rejuvenate the local defence industry, and his message and performance has had an instant appeal to the unions and to defence industry management.

His recent win, too, over the Boeing Qantas deal, in which he steered more than \$150 million of military style offset workload into local industry reflects his capability and that of his close-knit and politically alert staff.

## Ultimate

He also has the advantage of a lean and hungry department led by an equally energetic and astute departmental head, Mr Charles Halton.

Mr Halton has the reputation of being a go-getter and has welded together an efficient department which has scored some public relations successes with a series of nationwide seminars, and which, while being seen as slightly unconventional, is emerging as an exciting place in which to serve.

Given this combination of Mr Howe's commitment, and his own interpretation of the wording of the fairly unambiguous wording of the limitations on his role, and his efficient departmental backing, it is easy to understand Mr Scholes' fears that policy matters are being raised without due discussion or thought to their long-term consequences for the over-

all defence effort for which he has ultimate responsibility.

They are fears that have not been eased by reports that the draft decision arrived at by Sir Geoffrey Yeend over the dispute is believed to favor Mr Howe.

Despite this, Mr Scholes is reported to believe there is room for the department and that it has an important role to play - but not an independent one.

Already there are reports of a call for some form of lesser role or even of regularising the position by renaming Mr Howe the Minister Assisting the Minister for Defence in an effort to introduce a more disciplined and integrated chain of command.

One thing, however, is clear. While there is no personal animosity, Mr Scholes is prepared to put his considerable weight in Cabinet behind some early solution to the problem that will leave responsibility for overall defence policy firmly in his own hands.

CSO: 4200/266

AUSTRALIA

TELECOMMUNICATIONS EMPLOYEES EXPECTED TO QUIT WAGE GUIDELINES

Perth THE WEST AUSTRALIAN in English 21 Nov 83 p 23

[Text]

**MELBOURNE:** An Australian Telecommunications Employees' Association official yesterday predicted that his union would go outside the new wage-indexation guidelines after the next national wage decision.

He said that many other unions would follow.

Mr Len Cooper, ATEA assistant secretary, said that his union had given a commitment to both the guidelines and to the prices and incomes accord. That commitment would be reviewed in six months.

He said: "If the same trends now are still occurring then, there will be a very strong demand from the rank and file to go outside the guidelines.

"Unless all the other aspects of the accord, such as tax cuts, are implemented, there is

every chance we will go outside the system.

"And I think that the majority of other unions will react similarly."

Mr Cooper said that increases in Government charges and the non-appearance of expected tax cuts were the basis of much union dissatisfaction.

The ATEA was also upset that there had been no moves yet towards the attainment of the ACTU's 9.1 per cent catch-up claim and at the delay from the end of the June quarter to the national wage decision on September 23.

CSO: 4200/264

ASIO TREATMENT ON TELEVISION CRITICIZED

Canberra THE AUSTRALIAN in English 23 Nov 83 p 9

[Article by B. A. Santamaria under the rubric "A Personal Viewpoint" entitled: "A Case for Witnesses to the Prosecution of ASIO"]

[Text]

IT WOULD be ungenerous not to extend a word of congratulation to the ABC for the accomplished hatchet job it did on ASIO on last Saturday's *Four Corners*.

It is not really ASIO's fault that there are so few to mourn its agony. The Woodward report on ASIO substituted ideological agnosticism for philosophic commitment as its basic assumption, reflecting, in a sense, the prevailing intellectual climate.

Even if one excludes the operations of Soviet "agents of influence" who, we are assured, do not exist, it is difficult to see how an effective intelligence service can actually be run when the dominant intellectual faction can find no philosophic distinction between totalitarianism and democracy.

What is the point of investigating anything when lawyers, vested with the authority of a security appeals tribunal, thereupon logically conclude that a Marxist-Leninist party should not be described as subversive so that there should be no legal bar to a party member reading the most highly classified documents or, equally logically, occupying the most sensitive positions in the state?

How can ASIO function if there is neither moral nor political distinction between the international policies of the United States and the Soviet Union?

In such a climate, ASIO's position is hopeless.

The scenario of last Saturday's *Four Corners* may be summed up as "look at what those ASIO b.....s have done to David Combe".

That question might seem to depend on prior investigation of the antecedent question, namely what "David" might or might not have attempted to do to what sentimentalists might describe as "the national interest". For after all, there are "David's" own admissions that:

**HIS** ambition was to make money in large lumps.

**HE** was on close terms with Ivanov whom he himself regarded as most probably a KGB agent;

**HE** himself had suggested to Ivanov that he ("David") should hold the Soviet Union's commercial agency in Australia (while continuing to act for Australian clients);

**ONE** of his tasks would be to generate an enhanced relationship between the Soviet Communist Party and the Australian Labor Party;

Being of a liberal turn of mind, I am prepared to be convinced that, with all but the last of those facts being averred to by "David" himself, they are nevertheless susceptible to an innocent explanation. Yet I am puzzled that investigative journalists as brilliant as the ABC's did not consider the antecedent matter even worth investigating.

Instead, they produced among witnesses for the prosecution:

**JIM DUNN**, who believed that SIGINT signals of the Indonesian invasion of East Timor should be made generally available because the Indonesians must know that we had them anyway;

**STEPHEN RIX**, a public servant whose spiritual odyssey had been from the Tertiary Catholic Federation of Australia into the Communist Party;

**WILLIAM PINWILL**, a defence expert whose estimates of the military situations which he used to evaluate appeared to rest on a well-developed euphoria concerning the Soviet Union's intentions.

As witnesses for the defence, they produced two. One was apparently a public servant or an academic whose name I missed. His argument appeared to be that ASIO was not as bad as the British and

**Carefully  
delimited**

THE selection of himself to make the now-celebrated trip to the Soviet Union had not really been at the insistence of the Australia-USSR Friendship Society but of the Soviet Embassy acting through it; **HE** knew that the instructions to Ivanov to open up a special trading operation in Australia came from Ponomarev, who does not go about establishing trading agencies.

US intelligence services had proved to be.

The second was the Attorney-General who seemed to be saying that, on investigation, ASIO's case against Mr Combe was actually stronger than it had appeared at the beginning, who thought that

ASIO's counter-espionage function was only of modest significance and that its anti-subversive function should be even more carefully delimited in the interest of civil liberties.

I intend nominating the ABC's journalists for the Pu-

litzer Prize. After all, the celebrated Walter Duranty of *The New York Times* won it for not reporting the Soviet famine of 1933 which strewed millions of corpses across the Russian countryside, which he didn't see.

CSO: 4200/266

## HAWKE BACKS ASIO IN DISPUTE WITH STATE PARLIAMENTS

Sydney THE SYDNEY MORNING HERALD in English 21 Nov 83 p 1

[Article by Ross Dunn]

[Text] The Prime Minister, Mr Hawke, makes no apology for an ASIO operation conducted in the NSW Parliament House and has not ruled out the possibility that it will happen again in any parliament in Australia.

His stand effectively places the Premier, Mr Wran, in an awkward position as he has declared that ASIO is banned from the precincts of the NSW Parliament.

Mr Hawke, in a letter to the chairman of the NSW parliamentary committee on privilege, Mr Rodney Cavalier, also refers to a visit to Parliament House on September 30 last year by two ASIO agents who tried to inspect mail addressed to State politicians.

Mr Hawke refuses to refer the matter to Justice Hope's inquiry into Australia's security and intelligence agencies.

The ASIO visit to the NSW Parliament was revealed last August when two members of the Parliament House staff told the committee on privilege about an incident one of them described as like a scene from *Get Smart*.

The first agent had shown his ASIO pass to an attendant and demanded to see letters, addressed to two MPs, delivered only

minutes before by a diplomatic courier.

He had been followed minutes later by a second agent, who entered Parliament House and asked what the first was doing. Refused assistance by parliamentary attendants, he allegedly became aggressive.

When Mr Wran heard about it in August, he said that as far as he was concerned, ASIO was banned from the precincts of Parliament House.

Senior Government sources confirmed last night that Mr Wran had not changed his view and was not impressed by the attitude of the Federal Government.

He would leave the matter to the State committee on privilege for the time being, but would enter into the controversy again if he thought it necessary.

In his letter, Mr Hawke said: "The activities of members of the Australian Security Intelligence Organisation are regulated by law and this includes the law relating to parliamentary privilege."

"On the other hand, whilst as a Member of Parliament is protected in respect of his normal privileges in the Parliament, in other respects he is in no different position to any other citizen in Australia.

"Given the above, I would not think it necessary to refer the

matter of the operations of ASIO within the precincts of a Parliament to the Royal Commissioner on Australia's security and intelligence agencies.

"Your committee is, of course, free to make its own submission to Mr Justice Hope on this subject."

Mr Cavalier also wrote to the Federal Attorney-General, Senator Evans, who confirmed the ASIO visit, but said it was incidental to an operation involving a matter of national security. He gave an assurance that no State politicians were under surveillance.

Senator Evans refused to allow the regional director of ASIO to appear before the committee as this might risk compromising a national security operation.

However, he said that in future operations involving a State Parliament, the regional director would make the necessary approaches to parliamentary staff.

On Mr Hawke's letter, Mr Cavalier said: "That ASIO operatives are briefed on the law of parliamentary privilege is good news."

"It is a pity, however, that the Prime Minister has not offered an unequivocal assurance that their presence in the precincts of Parliament House is forbidden."

HAWKE REVISED PEACEKEEPING ROLE THOUGHTS

Canberra THE AUSTRALIAN in English 22 Nov 83 p 1

[Article by Brian Hill]

[Text]

DESPITE an apparently successful meeting with the Thai Prime Minister, General Prem, yesterday, Mr Hawke appears to be still biting his tongue over his "peace force for Kampuchea" statement in Darwin at the weekend.

Journalists who spoke to him on Sunday were left in no doubt that when he was enthusing about the proposal by the Malaysian Foreign Minister, Tan Sri Ghazali Shafie, for Australian participation in a possible joint peace-keeping force, he meant just that — Australian troops flown in to supervise a ceasefire and free elections after a Vietnamese withdrawal.

But, somewhere between Darwin and Thailand, the penny must have dropped about how some sections of the ALP would view the prospect of Australian servicemen being sent back to Indo-China in any role whatsoever.

Mr Hawke took the almost unprecedented step of coming to the back of the plane, where the journalists sat, and attempting to hose down his earlier on-the-record comments.

He didn't want reporters to get the wrong impression, he said. Troops would not be sent

into combat. Any Australian participation in a peace-keeping force would be more of a monitoring exercise.

It would, he agreed, be similar to Australia's former role in supervising free elections in Zimbabwe.

Mr Hawke apparently had forgotten that in the Zimbabwe exercise, 150 Australian troops were, in fact, sent overseas. Fortunately, there were no casualties — unlike the British contingent.

Yesterday, after discussions in the previous 24 hours with the Minister for Foreign Affairs, Mr Hayden, Mr Hawke downplayed his earlier comments even further when he spoke to journalists.

It can be pointed out, however, that Mr Hawke appears to have been rather more successful yesterday in his talks with General Prem.

As well as assuring the Thai leader Australia was not "going soft" on Vietnam, and Canberra was as committed as ever to the withdrawal of Vietnamese forces from Kampuchea, it's a fair bet Mr Hawke now has a much clearer, first-hand view of the realities of the Kampuchean situation as it affects the Association of South East Asian Nations' second biggest country.

CSO: 4200/266

AUSTRALIA

BRIEFS

REVISED WHEAT CROP ESTIMATE--Canberra.--The Bureau of Agricultural Economics has again increased its estimate of the size of this season's wheat crop, to a record 20 million tonnes. The estimate is up one million tonnes on its October estimate. The bureau revised its estimates because of the good weather conditions during the final stages of ripening which have increased expected yields in all states except Western Australia, where there have been continuing dry conditions. The expected 20 million tonnes compared with a harvest of 8.9 million tonnes last year, when the drought was at its height. The previous record crop was 18.1 million tonnes in 1978-79. Based on the Wheat Board's guaranteed minimum price to growers of \$150 a tonne, the crop will add about \$3000 million to the economy. The bureau says other crops are also estimated to be records. Barley is expected to yield 4.9 million tonnes and oats 2.5 million tonnes. [Text] [Melbourne THE AGE in English 23 Nov 83 p 1]

CSO: 4200/266

INDONESIA

PARLIAMENT MEMBERS DECRY BOMBING OF SOUTH KOREAN LEADERS

Jakarta HARIAN UMUM AB in Indonesian 11 Oct 83 pp 1, 8

[Article: "Parliamentarians Decry Cruel Incident in Burma"]

[Text] Indonesian parliamentarians felt the bombing in Rangoon, Burma, that killed four South Korean cabinet ministers and several senior officials last Sunday [9 October] was a cruel and inhuman act.

In response to the tragedy that struck the South Korean people in Burma's capital, two members of the DPR [Parliament], Soebekti, deputy chairman of Commission I, representing the PDI [Indonesian Democratic Party] faction, and H. Amin Iskandar, representing the FPP [Central Pancasila Front], made these statements to newsmen at the parliament building in Jakarta on Monday [10 October].

Fifteen senior South Korean officials, including four cabinet ministers, were killed in a horrible explosion at the Rangoon National Heroes Cemetery. Chun Doo Hwan, the South Korean president, and his wife escaped this tragedy because they arrived at the site several minutes behind their scheduled arrival. Chen Doo Hwan was making a state visit to Burma.

Soebekti, deputy chairman of Commission I, said the terrorism committed against the South Korean president and senior officials was extremely cruel and embarrassed the Burmese people.

This incident, Soebekti said, will seriously affect relations between South and North Korea because it puts Burma in the awkward position of being involved in a domestic political conflict.

He said the Burma incident proved that terrorism, which occurs frequently in Europe, especially in Italy, was now spreading to Asia. Proof of this is the recent assassination of Aquino, the Philippine opposition leader, in Manila.

Soebekti hoped there would be no further increase in the terrorism which had struck Asian nations recently considering that South Korea was dealt a serious blow with the assassination of its highly placed officials. The fact that this incident occurred just when U.S. President Ronald Reagan was preparing to visit South Korea dealt that country an even more shocking blow.

### Outmoded Act

Meanwhile, Amin Iskandar said the attempted assassination of the South Korean head of state was a despicable and inhumane act. It was a pointless act, Amin said, an outmoded act, one that should not have been committed in the present era, moreover, on another country's soil.

Amin suspected that an international terrorist group, an enemy of South Korea, was behind the assassination attempt on President Chun Coo Hwan. Although the incident occurred in Burma, he said, Burma was in no way involved. Further, Burma would have no interest in doing this.

Soebekti regretted that Burmese security personnel were thought to be inept. Be that as it may, a chief of state must be respected because he holds his nation's highest office.

The attempted assassination of the chief of state in Rangoon reminded Amin Iskandar of a pre-World War II incident when an Austrian king was assassinated in Mongolia while on a state visit to that country. This kindled the fire for the start of the World War II tragedy.

Ismail Hasan Matereum, SH [doctor of jurisprudence], chairman of parliament's Commission I (which deals with overseas, information, and defense and security matters), told ANTARA that the parliamentarians were saddened by the incident and cursed those who bombed the Heroes Cemetery in Rangoon.

Members of the United Development faction's board said this was a dishonorable act, moreover, because it was done to foreign guests.

"This incident shows that terrorism has not been eradicated from the face of the earth, rather it has spread to Asia where it ordinarily does not occur," Ismail Hasan Matereum, SH, said.

Therefore, "We must continue to be vigilant and continually heighten our national resilience," he added.

6804  
CSO: 4213/54

MINISTER INSPECTS TRANSMIGRATION SITES, OFFERS AID

Jakarta KOMPAS in Indonesian 11 Oct 83 pp 1, 9

[Article: "Food-Short Transmigrants Offered Rice"]

[Text] The government has readied a rice reserve for some 118,000 Indonesian transmigrant families (KK) who are threatened with a food shortage at the present time because of the long drought or for other reasons.

This was disclosed by Martono, minister of transmigration, at the South Sumatra governor's residence in Palembang on Monday [10 October]. Earlier he had inspected the Pematang Panggang V transmigration project in Ogan Komering Ilir (OKI) Regency and the Sugih Waras Transmigration Project in Muara Enim Regency where a food crisis was reported.

The DEPTRANS [Department of Transmigration] is studying other transmigration projects to determine whether similar disasters may have occurred in those projects. Clearly the current dry season is having a serious affect on the subsistence of transmigrants, particularly those living in projects which are still being developed by the DEPTRANS. A food shortage could also occur in transmigrant areas that were flooded in 1982 or where crops failed because of plant disease.

Food Situation Differs

The DEPTRANS investigation should reveal exactly how many transmigrants are experiencing a food shortage and need help. It may also determine whether the food situation differs in the various transmigration project areas.

Minister Martono explained, "DOLOG [Logistics Depot] will distribute rice later when and where it is instructed to do so by the transmigration minister. Food assistance can be offered for 3 to 6 months depending on the local situation and requirements."

Transmigrants are very economically weak members of society. In the present situation where they are suffering from a lack of food, the government is obligated to provide assistance as required. "The main thing is that the government is no longer hearing reports of a food shortage among the transmigrants," he said.

## Leaving the Project

In the Pematang Panggang V project, Minister Martono saw for himself that the majority of the transmigrants who were resettled there some 10 months ago are worried about the current extended drought which shows no signs of ending. They have been unable to harvest rice or secondary crops because their crops were destroyed by wild boar, mice, or wereng [a type of insect], while government food rations will end within 2 months.

They also lack clean water for cooking, bathing, and other purposes. Water sources and wells that were constructed in the project have all gone dry.

Djamaludin, chief of the Transmigration Directorate General's office in OKI Regency, reported that there are 2,100 families in the entire Pematang Panggang V project. Because they were tired of suffering, 201 families left the site without knowing where they could resettle. "Spontaneous transmigrants who volunteered to resettle in the Pematang Panggang V project were allocated the departed families' farm land and housing and were guaranteed subsistence at no cost to them," he said.

Another source said the farm land allocation, housing, and subsistence guarantees abandoned by the transmigrants who left the project were offered by the project leader to spontaneous transmigrants or newcomers who paid "compensation," the amount of which varied greatly.

Minister Martono received similar reports at the Sugih Waras transmigration project. Some 800 transmigrant families have lived in this project for the past 14 months. Some 200 families left this project in succession for no known reasons and for unknown destinations.

Ario Damar, a transmigrant from Jember (East Java), representing his companions, reported that the farm land allocation and housing of those who left the project were sold later by project officials for under-the-counter prices of 100,000 to 400,000 rupiahs.

Minister Martono explained that under decisions in effect, it could not be confirmed whether transmigrants' rights had been sold. Both transmigrants and officials allegedly involved in such cases will be investigated to determine whether steps should be taken against them under legal decisions now in effect. The transmigration minister promised the food-short transmigrants in the Pematang Panggang V and Sugih Waras projects that they would be given assistance or that the food allotment would be granted for an extended period as their needs required. Another source said 17,355 KK or 75,407 transmigrants now lack food in all of South Sumatra. Some of them also encountered delays in receiving their allocation of farm land and seeds.

6804

CSO: 4213/54

INDONESIAN FORCES STEPPING UP ATTACKS ON FRETILIN

Lisbon O PRIMEIRO DE JANEIRO in Portuguese 6 Nov 83 p 3

[Text] It has been learned from Timorian Catholic sources that, since last month, the Indonesian Army has been intensifying the antiguerilla battle being waged against FRETILIN (Revolutionary Front for the Independence of East Timor), and is currently having its aircraft make daily raids on the guerrillas hiding out in the mountains.

It may be recalled that the former Portuguese colony, annexed forcefully by the Djakarta regime in December 1975, is not recognized by the UN as part of Indonesia.

According to the Catholic sources, the Indonesian troops, estimated as totaling 10,000 men, are currently launching vast military operations in East Timor, which have been under way since last August, after the breakdown in the discussions with FRETILIN. Indonesian aircraft have already attacked many targets, specifically in the areas of Bobonaro, Ainaro, Vemilale, Watulare and Los Palos.

The Catholic sources claim that the troops from Djakarta have recently been reinforced, and "Hercules" aircraft often make round trips between Djakarta and Dili, capital of East Timor.

The Indonesian Army has been hurt by desertions: The same sources add that, last month, 30 soldiers from East Timor joined FRETILIN. Last August, scores of "Hansips" (Timorian civil guardsmen from the Indonesian Army's territorial reserves) went over to the ranks of the independence movement.

The Indonesian authorities are becoming increasingly suspicious of the many Timorian individuals and government officials. Some of the latter have been interrogated, and later released while others are still being held, according to the Catholic sources.

The authorities have reinforced the intelligence services responsible for checking the activities and the past of many Timorians.

Farmers, students and teachers, fearing arrest, have had to flee to the mountains to join FRETILIN; while most of them have never had any contact with the

independence movement. The same sources note that priests suspected of being FRETILIN sympathizers have been threatened with death by Indonesian soldiers.

It may be recalled that Catholic organizations have claimed to have knowledge of the slaughter of 200 Timorian civilians, as a reprisal for an ambush during which 15 Indonesian soldiers were killed in early August.

In Dili, capital of East Timor, the new apostolic administrator, Msgr Carlos Filipe Ximenes, although he is considered a "moderate," protested against the arrests made among the Timorian population, and against the fatal violence that prevails in the former Portuguese colony.

2909  
CSO: 3542/14

RELATIONS BETWEEN RURAL CO-OPS, PRIVATE SECTOR DISCUSSED

Jakarta MERDEKA in Indonesian 11 Oct 83 pp 1, 11

[Article: "Ayib Rugby Says Quantity Is Better Than Quality of Life in Movement of Population"]

[Text] It can be said that transmigration was successful during PELITA III [third 5-year economic development plan] if measured quantitatively but there was no comparable success in improving the quality of life for transmigrants who were resettled.

H. Ayib Rugby, director general (DIRGEN) for the mobilization and development of transmigration, made this statement in a discussion of the Integrated Regional Transmigration Development and Indoctrination Center (P3W TRANSTERPADU) held on Monday morning [10 October] in Jakarta. The discussion, a cooperative effort between the Transmigration Department and the Agricultural Technology Faculty (FATETA) of the Bogor Agricultural Institute (IPB), considered cooperative techniques to be used by village unit cooperatives (KUD) and private interests for the economic development of transmigration areas.

The transmigration program, Ayib said, has not yet been able to balance the movement of people from densely to sparsely populated regions with the necessary preparation of resettlement facilities as required under the predetermined packages. This is a national program for dispersing the productive labor force to various areas for better regional development. Transmigrants resettled in a new area should be more prosperous and have a higher income than they did in their place of origin so that both the transmigrants and the native population of the resettlement area will have a better quality of life.

To achieve this, more intensive economic development is very much needed in all transmigration areas, with particular attention paid to socio-cultural factors and the environment. These efforts will be more successful if the major pillars of national economic support play a role. These are cooperatives, private businessmen, and the State-owned Business Agency (BUMN).

The physical properties of land, facilities, and infrastructure, prepared or built by the government and supported by a trained labor force consisting of transmigrants, will greatly encourage businessmen to invest capital in the

transmigration area, with KUD's participating as the transmigrants' economic organization.

Ayib explained that efforts to increase production, handle the post-harvest period, and market products with the support of processing industries, are inseparable links in the commercial marketing chain, and attention must be given to handling them in an integrated fashion. In this regard, support is required of technology adapted to the farming plan, and this can be developed with the assistance of specialists at universities and research institutions.

#### Capabilities Still Weak

The director general was aware that the organizational, capitalization, and management capabilities of KUD's in transmigration areas were relatively weak. However, this should not be considered an obstacle in cooperating with the KUD's. The government will continue to offer guidance and management so that the KUD's can become capable of working with private interests and the BUMN.

Nevertheless, Ayib Rugby said, private parties and the BUMN are expected to cooperate in developing KUD's by transferring technology and assisting with management. Additionally, a great deal of support is expected of banks mainly in providing capital to KUD's in the transmigration areas.

With regard to the PJW TRANSTERPADU program, Ayib said this involves cooperation between the Transmigration Department and the Agriculture Technology Faculty at the IPB in providing guidance and management to KUD's in the transmigration areas. "This obviously is a form of government assistance to rapidly improve the quality of life of transmigrants through operational activities," he added.

The director general expected that the results of the discussion on techniques would be included on the agenda of the international symposium on transmigration. The symposium will be held in November and will discuss possible domestic and foreign investment in transmigration areas.

#### Five Working Papers

Eng Hulman Sitorus, chairman of the committee on discussing techniques, said 40 private businessmen had been invited to take part in discussing 5 papers prepared respectively by the PJW TRANSTERPADU and IPB, the Cooperatives Department, BKPB [Labor Development and Coordination Agency], Indonesian Cooperatives Council (DEKOPIN), and KADIN [Indonesian Chamber of Commerce and Industry].

It is hoped that concrete measures to shape cooperation between KUD's and private businessmen with regard to capital investment can be formulated after these five papers have been discussed.

6804

CSO: 4213/54

NUCLEAR REACTOR TO BE READY IN 1987

Kuala Lumpur BUSINESS TIMES in English 17 Nov 83 p 3

[Text]

JAKARTA, Nov. 16

A SMALL nuclear reactor being built at Serpong, 30 km (19 miles) south of the Indonesian capital is expected to be completed in 1987, according to the director-general of the national atomic agency Batan.

The official Antara news agency yesterday quoted Dr Balquni as telling Parliament the reactor's concrete foundations were still being laid.

The 30-megawatt multi-purpose research reactor is being built by the West German company Atomreaktorbau GmbH under a US\$92 million contract signed in 1981.

Indonesia has two smaller research reactors in the Javanese cities of Bandung and Jogjakarta.

The government has said it will wait until at least 1987 before deciding whether or not to launch a nuclear power programme. Indonesia is a major producer of oil and gas and has big coal reserves.

■ INDONESIAN exports of frozen shrimp have on many occasions been massively rejected by foreign importers for being not up to standard or a hazard to health, An-

tara news agency reported yesterday.

Disclosing this at a fishery officials meeting in Cipanas, south of Jakarta, director general of fisheries Mr Abu Rachman said that out of some 280 tons of frozen shrimp exported to the United States in 1981, some 55 per cent or about 222 tons were rejected.

More recently, out of 48 tons exported to Japan by the middle of this year, 25 tons were rejected or destroyed for being contaminated with bacteria of the cholera-type "el Tor" disease.

These cases indicated serious weaknesses on the part of Indonesian exporters as well as quality control agencies, Mr Rachman said and called for efforts to remove these short-comings.

The Indonesian government is planning to turn shrimp into the second primadonna of non-oil export commodities after palm-oil, as both commodities have been considered the least affected by the world economic recession.

■ THE number of corpses brought each day to the University of Indonesia's Criminology Department for examination has shot up dramatically, according

to the department's secretary, while a wave of unexplained murders here continues unabated.

In a daily Kompas report yesterday, Dr Abdul Munim Idries said that last year the department rarely received more than one corpse a day, but from April to September this year, often four or five arrived each day.

Dr Idries also said most of the corpses had been shot. Before, the murder weapons were usually knives or sickles, he said.

In the first quarter of this year, shooting victims accounted for about 20 per cent of the total, while stabbings claimed 60 per cent.

In the second quarter, about 47 per cent of murders were committed with guns, compared to 40 per cent stabbings, Dr Idries said.

He said that in the first three months of the year, 64 murder victims were examined in the Criminology Department. In the second quarter, the figure increased to 117 and in the third, 107 corpses were brought in.

The number of murders by other means, such as clubbing or mob attacks, had risen too although their percentage of the total was still small, he said.

## PERTAMINA CONDUCTS STUDY ON PIPING GAS TO SINGAPORE

Kuala Lumpur BUSINESS TIMES in English 9 Nov 83 p 3

[ Text ]

INDONESIA'S state oil company, Pertamina, is doing its own feasibility study on piping natural gas from the Natunas fields to Singapore.

This in-house study is the latest in the series since the pipeline project was mooted last year. Interested third parties, such as oil firm Conoco, Japanese trader Marubeni and a Dutch group had carried out separate studies and submitted their plans to Pertamina earlier on.

Pertamina's study, which started around the middle of this year, will be completed by next month. Basically, it will, like the others, assess the market and economics of piping the Natunas gas from the South China Sea to Batam island, 960 kilometres away. The plan is then for Singapore to tap the gas from Batam, just 32 kilometres south of the republic.

A senior Pertamina of-

ficial emphasised that production will begin only when there is a sufficient market for the gas. Although projected consumption rates by Singapore and Batam may not be big enough to support building a costly pipeline, the official pointed out the gas could also be used to serve nearby Sumatra.

Besides, the availability of gas may act as a catalyst to industrial development in those areas.

Because of the possible bigger market, he maintained: "We think we can offer the gas to Singapore at competitive rates."

He was referring to discussions on a similar gas pipeline project between Singapore and Malaysia. This involves bringing offshore Trengganu gas down the peninsula, across the causeway, to Singapore.

The republic is actively looking for alternative sources of energy for its power stations so as to re-

duce its total reliance on fuel oil. Natural gas from neighbours Malaysia and Indonesia seems to be the most promising option so far. But there have been recent doubts about the Indonesian gas because of the country's financial situation and lack of domestic demand.

Based on data available now, the Pertamina official estimated the Natunas fields will have a production capacity of at least eight million tonnes a year. There are nine foreign oil operators in the area, one of whom is Conoco. The others include Total, Mobil and Esso.

If the project takes off, the submarine pipeline will probably be the world's longest, he said. A lead time of at least four to five years is needed before the gas can be produced and sold. This period of time is for the construction of drilling jackets, the pipeline and

SINGAPORE, Nov. 8  
other back-up facilities.

On the level of exploration work in Indonesia, he is confident that it will remain constant next year despite the global oil glut. His optimism stems from the fact that during Pertamina's current review of foreign oil firms' work programmes for next year, none have shown signs of slowing down their activities.

He reasoned: "It is a good time to drill for oil now as support services will be offered at competitive rates. If they start now, in two years' time, the oil market should have improved. The recession would have bottomed out."

For this year, the foreign oil firms' expenditure on exploration is expected to hit US\$4.2 billion, up from last year's US\$3.9 billion.

Indonesia's present oil production is 1.3 billion barrels a day. — BT S'pore

CSO: 4200/277

## CILACAP REFINERY TO RUN AT FULL CAPACITY

Kuala Lumpur BUSINESS TIMES in English 10 Nov 83 p 3

[Text]

CILACAP (Central Java), Nov. 9

THE 200,000-barrel-a-day (bpd) expansion at Indonesia's Cilacap refinery will run at full capacity next week, executives of Fluor Eastern Inc., a Fluor Corp unit, said.

The crude oil distillation unit and the refinery's vis-breaker catalytic unit have been operating at 80 per cent due to limited crude oil supply but sufficient feedstock will be available from the end of the week to run them at full capacity, they said.

Start-up was originally set for December.

Sources close to the US\$1.2 billion expansion project said supply of domestic Arjuna and Attaka crude has been limited by underwater reefs, preventing large tankers from delivering oil. These reefs have only allowed small tankers to reach the jetties.

However, the number of small tankers arriving with domestic crude has been stepped up and the reefs will be blasted away by end-1983, they said.

The expansion will process 160,000 bpd of Arjuna crude and 40,000 bpd of Attaka. The original 100,000 bpd installation relies on Saudi Arabian light oil for throughput.

State-owned oil company, Pertamina, may alter the original refinery, to take domestic crude, industry sources said. Fluor handed the expansion over to Pertamina four months ahead of schedule.

Expansion at Cilacap and Indonesia's other main refineries, will double total Indonesian capacity to over 800,000 bpd.

The Balikpapan expansion to 275,000 bpd from 75,000 bpd was inaugurated early this month but is having teething troubles while Dumai's, to 185,000 bpd from 100,000 bpd, will not be finished until well into next year, industry sources said.

The expansions will halve reliance on Singapore for oil processing and make Indonesia a potential exporter of products. The timing of full production is being watched by the industry.

The executives said the Cilacap catalytic and high vacuum units are at full capacity and the de-salination units are operating normally, with two working and one on stand-by.

Crude oil storage has been expanded to 900,000 cubic metres from 350,000 cubic metres while product and inter-mediate storage has risen to 1.11 million cubic metres from 480,000.

Fluor sources said Cilacap will meet domestic product demand but will have an exportable surplus of liquefied petroleum gas (LPG), heavy naphtha and fuel oil.

The following is a breakdown of Cilacap oil product output taken from a report by Fluor for the government, in order product post-expansion with pre-expansion in brackets (tonnes a year) — LPG 237,400 (nil), gasoline 2.41 million (803,100), naphtha 654,300 (nil), kerosene 2.70 million (1.21 million), auto diesel oil 1.99 million (nil), industry diesel oil 527,625 (same), industry fuel oil 2.84 million (1.70 million), lube oil bas 260,000 (85,000) and asphalt 442,900 (120,000).

CSO: 4200/277

## BRIEFS

DELEGATION TO EAST EUROPE--On Monday morning [10 October] at the Bina Graha [executive building], President Suharto received a DPR [Parliament] delegation headed by Hardjanto, which is to leave for Romania, Hungary, and France. Regarding his meeting with the president, Hardjanto told newsmen that he and the chief of state discussed ways in which cooperation could be increased with the countries to be visited, particularly in the trade and economic fields. Indonesia, he said, intends to bridge trade relations among socialist nations by employing a state company to handle trade matters with the countries involved because Indonesian traders are still uneasy about conducting trade with socialist countries. The government has appointed PN [state-owned company] Pancaniaga to act as coordinator for trade relations with socialist countries. The DPR delegation will also examine the possibility of increasing economic cooperation with Romania and Hungary. Indonesia is aware that geographically it is far from these countries. Hardjanto also said that Indonesian-Hungarian trade relations have improved and that a trade balance between the two countries can be achieved. He and the other members of the delegation will especially observe developments in the Romanian petrochemical industry and oil drilling equipment. Regarding agriculture, the president told the departing delegation about advancements made in Hungarian beekeeping. This is done on a large scale and modern techniques are used. In this connection, the president asked the delegation to ascertain whether Hungarian beekeeping technology could be "spread" to Indonesia where traditional beekeeping methods are still being used. The president asked the DPR delegation to convey his greetings to the heads of state and the people of the countries they will be visiting. [Text] [Jakarta HARIAN UMUM AB in Indonesian 11 Oct 83 pp 1, 8] 6804

CSO: 4213/54

KAMPUCHEA

FIRST KAMPUCHEAN TRADE UNION CONGRESS OPENS

OW081848 Hanoi VNA in English 1521 GMT 8 Dec 83

[Text] Hanoi, VNA, 8 December--The First Congress of the Kampuchean Federation of Trade Unions opened in Phnom Penh Wednesday morning, reports SPK.

Present on the presidium were Heng Samrin, general secretary of the PRPK Central Committee and president of the PRK Council of State; Chea Sim, Politburo member of the PRPK Central Committee and chairman of the National Assembly and of the National Council of the United Front for Construction and Defence of the Kampuchean Fatherland, and other Kampuchean senior officials.

Other members of presidium included Nguyen Duc Thuan, member of the Communist Party of Vietnam Central Committee and president of the Vietnam Federation of Trade Unions; Samboune Vongnobounthan, member of the Lao People's Revolutionary Party Central Committee and vice president of the Lao Federation of Trade Unions; Vladimir Antonov, president of the Orel Committee of the All-Union Central Council of Soviet Trade Unions; and Nemondry, secretary of the World Federation of Trade Unions.

The congress is attended by 280 delegates of trade unions from all parts of the country.

Following the opening speech by Heng Teav, vice-president of the Federation of Trade Unions and an address by President Heng Samrin, the delegates heard a report on the trade union movement in Kampuchea since the liberation of the country in 7 January 1979..

The report says: "Following the overthrow of the Pol Pot genocidal regime, the working class was entrusted with a new mission--to provide leadership to the revolution and join the rest of the people as master of the country in defending and building the beloved motherland.

"Now there is every condition for our country and our nation to develop along the path of socialist revolution in the firm alliance of the revolution in Indochina and as an integral part of the world revolutionary movement."

The report reviews the efforts made by the Kampuchean working class in the rehabilitation of the country heavily devastated by war and the Pol Pot murderers. It continued:

"The henchmen of Beijing expansionism severed all relations between our peoples and the outside world. They did everything to sow division between our people and the Vietnamese people. They wanted to weaken us in order to take all the three Indochinese countries.

Since liberation, friends have come from all parts of the world to greet us, to see for themselves what has been happening in our country, and to wholeheartedly help us. We take this opportunity to express our profound gratitude to the trade unions in the fraternal socialist countries and to the international working class for their fraternal assistance in our most difficult years.

"The Nascent Kampuchea Federation of Trade Unions became a member of the World Federation of Trade Unions in April 1979. We note with pleasure that relations between the Kampuchean working class and the international working class have broadened.

"We have been to many international working class forums in Asia, Europe, Africa and Latin America where we exposed and condemned the genocidal clique and made the just stand and great victories of our revolution known, to the international working class and the whole of progressive mankind."

The report goes on: "The working class of Kampuchea knows very well that U.S. imperialism will never accept peaceful coexistence, and that the reactionaries in power in Beijing will never give up their ambition to expand to the whole of southeast Asia, design which was also nurtured by Chinese emperors of old.

"So the only course for our nation to take is to defend and rebuild the motherland within the firm alliance among the three Indochinese countries, and to join the international working class and the whole of progressive mankind in defending peace, opposing the arms race policy of the imperialists which threatens to push mankind to the brink of nuclear catastrophe.

"We support the resolution of the 10th Congress of the World Federation of Trade Unions, the struggle of the working class in the capitalist countries for the right to life, and the struggle waged by the oppressed peoples for national independence, against oppression and exploitation, against colonialism, neo-colonialism, expansionism, Zionism and apartheid."

CSO: 4200/284

KAMPUCHEA

THAI PAPER ON MEETING OF ANTI-HENG SAMRIN FORCES

BK050250 Bangkok BANGKOK POST in English 5 Dec 83 p 5

[Excerpt] Aranyaprathet--Leaders of the Khmer coalition forces met recently to work out counter-measures against the expected dry season offensive of the Vietnamese-backed Heng Samrin forces, reliable Thai field military sources told the BANGKOK POST last night. The sources said that representatives of the Khmer Rouge, Sihanoukist and Son Sann forces held a meeting on 30 November in Nong Chan of Ta Phraya District of this border province. None of the representatives who attended the meeting were named by the sources.

According to the sources, the three groups reiterated their need for coordination and assistance when under attack by the Heng Samrin forces as well as conveying intelligence information of troop movements. The meeting between the Khmer coalition forces follows intelligence reports that next year's dry season offensive will be one of the biggest in several years.

Late last month Supreme Commander and Army Chief Gen Athit Kamlang-ek said that Vietnam had deployed a large number of 106-mm rockets in Kampuchea. He said the strategic area where attacks would be made centered on the Phnom Chat highlands opposite Ta Phraya District.

Hanoi is also believed to have beefed up its forces along the Thai-Kampuchean border at Thmar Puok, Ban Yeang and Ban Soeng Districts about 18 kilometres across the border opposite Ta Phraya District. The field military sources told the POST that likely targets for the dry season offensive include the Phnum Dangrek mountain range, Ban Ampil opposite Ban Sangae, Ban Nong Samet and Ban Nong Chan.

CSO: 4200/284

KAMPUCHEA

BRIEFS

HUNGARIAN AMBASSADOR RECEIVED--Phnom Penh SPK, 6 December--Chea Sim, Politburo member of the PRPK Central Committee and chairman of both the National Assembly and the National Council of the United Front for Construction and Defence of the Kampuchean Fatherland, received Hungarian Ambassador Lajos Karsai on Tuesday morning. He told the ambassador of the great successes of the Kampuchean people in all fields of national construction, and condemned the Beijing expansionists, the U.S. imperialists and other reactionary forces for ganging up against the Kampuchea people and trying to sow discord among Kampuchea, Vietnam, Laos and other socialist countries. "But," Chea Sim stressed, "the militant solidarity among the three Indochinese countries has become a firm bastion of peace and stability on this peninsula, and also decisive element of victory for the Kampuchean revolution." He highly hailed the constant development of the relations between Kampuchea and Hungary. In reply, Ambassador Lajos Karsai voiced his government's firm stand to support the revival of the Kampuchean people. He said that he would do his best to promote the friendship, solidarity and multiform cooperation between the two countries. [Text] [BK070429 Phnom Penh SPK in English 1114 GMT 6 Dec 83]

CHEA SIM HAILS SRV ASSISTANCE--Hanoi, 3 Dec--A meeting was held in Phnom Penh Friday morning under the auspices of the National Council of the United Front for Construction and Defence of the Kampuchean Fatherland to celebrate the front's fifth anniversary (2 December). Reviewing the achievements of the Kampuchean revolution over the past 5 years, Chea Sim, president of the front's national council, said: "Under the guidance of the front and with the assistance of the armed forces and people of fraternal Vietnam, the Kampuchean people finally overthrew the Pol Pot genocidal regime and set up their own power from the centre to the grassroots to defend the gains of the revolution." On the growth of the front itself, Chea Sim said that branch organizations of the front had increased to 350 at provincial level, and 22,689 at the communes and agricultural solidarity production groups. He continued: The National Council of the United Front for Construction and Defence of the Kampuchean Fatherland expresses its most hearty thanks to the Vietnamese experts and army volunteers who have day and night worked selflessly to defend Kampuchea's territorial sovereignty on land, on the sea and in the air." Chea Sim reiterated the Kampuchean people's determination to strengthen their solidarity with the people of Vietnam and Laos and with the Soviet Union are the other socialist countries. [Text] [OW030759 Hanoi VNA in English 0713 GMT 3 Dec 83]

BULGARIAN, CSSR LEADERS GREET SOUPHANOUVONG

BK091416 Vientiane Domestic Service in Lao 0000 GMT 9 Dec 83

[Text] On the occasion of the 8th anniversary of the 2 December National Day, Comrade Souphanouvong, president of the LPDR and chairman of the Supreme People's Council, received greetings messages from Comrade Stanko Todorov, chairman of the National Assembly of the People's Republic of Bulgaria, and Comrade Alois Indra, member of the presidium of the Central Committee of the Communist Party of Czechoslovakia and chairman of the CSSR Federal Assembly.

The message from Comrade Stanko Todorov reads: On behalf of the National Assembly of the People's Republic of Bulgaria and in my own name, I extend cordial congratulations to you on the occasion of the 8th anniversary of the establishment of the LPDR. All Bulgarian assemblymen and people have followed and are sincerely pleased with the successes recorded by the Lao working people led by the LPRP in building socialist foundations.

We are convinced that the bilateral relations based on the principles of Marxism-Leninism and proletarian internationalism will be further promoted and developed. We are confident that this will contribute to making the relations between our two countries' assemblies more lively [mi sivit siva].

On this National Day, I wish you and all Lao friends new successes on the path set by the Third LPRP Congress.

On the occasion of the 8th anniversary of the establishment of the LPDR, on behalf of the CSSR Federal Assembly and in my own name, I extend warm and fraternal salutations and greetings to you. During the recent official friendly visit to your beautiful country, our Federal Assembly delegation saw with our own eyes the achievements recorded by the Lao people in building socialist foundations under the leadership of the LPRP. We are pleased to learn that the LPDR's prestige has been held aloft in the international arena.

The CSSR Federal Assembly will continue to develop and strengthen the fraternal relations and cooperation between our two countries on the basis of Marxism-Leninism and socialist internationalism.

CSO: 4206/47

#### EDITORIAL ON CARE FOR ARMED FORCES DEPENDENTS

BK301149 Vientiane Domestic Service in Lao 0400 GMT 28 Nov 83

[Editorial: "Effectively Implement the Army's Rearline Policy"]

[Text] Our entire party, army and people are currently carrying out the two strategic tasks of building and firmly defending the socialist fatherland. To defend the socialist fatherland is a basic and permanent task. It is our immediate and most vital task.

In addition to striving to organize all-people national defense foundations, our party, state and people must build and strengthen the people's armed forces and must nurture and pay attention to the army's rearline. This is one of the factors deciding the combat strength of the army.

Since it is regarded as the party's sharp instrument and the mainstay for the all-people movement to attack the enemy and defend the country, the army's current main task is to stand ready for combat and fight well. Our cadres and combatants are surmounting difficulties and hardships day and night. Firmly holding arms in their hands, they are stationed in every border area of the country.

Many comrades have not had an opportunity to visit their families for many years or to stay close to their families to take care of their relatives, parents and children. Loaded with much household work, these families have found it necessary to depend on the assistance of the party, the administration at all levels and the local people. Our party and state have said that the injured and the families of soldiers and those who sacrificed their lives have performed meritorious deeds for the nation and people; therefore, all of us must be grateful and love and assist them.

In carrying out our party's instruction, despite economic difficulties and shortcomings faced by the people in their daily life, our party, state and people have wholeheartedly taken care of the injured and the families of those who have made sacrifices for the country. We have adopted many plans and policies to take care of and assist the injured and the families of soldiers and those who have sacrificed their lives.

Through practical deeds, many localities have effectively and correctly carried out the army's policy on the rearline. In expressing their gratitude, the people have assumed responsibility for caring for the children of those who sacrificed their lives and orphans. The movement to care for and educate the sons and nephews of those who have made sacrifices has been vigorously promoted in various schools. Since there have been some shortcomings in implementing the army's rearline policy, and since our brothers and sisters and their families continue to encounter difficulties in their daily life, it is necessary to continue mobilizing the entire party and people to more effectively attend to the living conditions of the injured and the families of soldiers and those who have sacrificed their lives. This is not only a moral obligation, but also our current aspiration. This mobilization must be further promoted and developed so that it can be standardized. This must be correctly implemented at the central and local levels and by those directly responsible for implementing this policy.

The mobilization of the entire people to attend to the army's rearline must be included in each locality's committee at each level, the local administration at each level must organize the masses to implement the rearline policy of attending to the living conditions of the families of those who have performed meritorious deeds for the country and people. This is an urgent and permanent issue.

The most important basic task is the create conditions for injured or sick comrades and the families of soldiers and of those who have sacrificed their lives to find jobs if they are still able to work. Suitable jobs should be provided for them so that they can increase their regular income. Efforts should be made to ensure a normal life for the children of soldiers and those who have sacrificed their lives while they are attending primary schools. Schools, local economic establishments, and families should closely cooperate to implant adequate ideals in the children. In treating those seriously injured, each locality should formulate appropriate regulations to create conditions for the children, wives and families of these comrades to work, produce and increase their income. Conditions should also be created for the injured to rest and stay with their families.

In addition to attending to their material life, we should be concerned about these people's ways of thinking and emotion. This is to ensure that they are happy materially and spiritually.

Being proud of their fine tradition, the families of the injured and those who have sacrificed their lives are striving to fulfill all their duties within their capability and strength and contribute to building and defending the country, while clearly understanding the country's difficulties and the great concern of the party and state as well as the people's wholehearted concern for them. Let the injured brothers and sisters and the families of soldiers and of those who sacrificed their lives persistently struggle to be worthy of the lofty titles of model citizens and model revolutionary families and to merit the entire people's love forever.

## CHINESE COMMUNITY STILL ENJOYS HIGHEST INCOME

Penang THE STAR in English 12 Nov 83 p 4

[Text] THE Chinese community continues to have the highest per capita income in the country, Minister in the Prime Minister's Department Datuk Abdullah Haji Ahmad Badawi said.

Replying to Wan Ibrahim Abdullah (Hamim--Pasir Mas), he said that the Chinese per capita income had risen from \$394 in 1970 to \$659 in 1979.

The per capita income for Malays rose from \$172 to \$309 and the Indians from \$304 to \$467.

Datuk Abdullah said the New Economic Policy had managed to bring about several important changes since its implementation in 1971.

He added that the Government had succeeded in raising the incomes of the people as well as in increasing the number of jobs.

Asset ownership in the company sector had also increased together with the development of bumiputra involvement in trade and industry.

Datuk Abdullah said all communities experienced rapid growth in manpower in the various sectors in the last decade which was in line with the objective of restructuring society.

In the mining, manufacturing, construction and the transportation sectors, where bumiputra participation was low, their manpower increased from 32.1 per cent (1970) to 39.8 per cent (1980).

Bumiputra manpower in wholesale and retail trade, banking, public administration, health education, defence and public utilities had also increased from 42.6 per cent to 47 per cent.

Datuk Abdullah added that the Government had managed to raise bumiputra ownership and control in the company sector from \$279.6 million, or 4.3 per cent, in 1971 to \$3,237.3 million, or 12.4 per cent, in 1980.

However, he said this was below the target of 16 per cent as noted in the long-term planning scale.

CHINESE YOUTHS REPORTEDLY VICTIMS OF OPPOSITION NEGATIVE INFLUENCE

Penang THE STAR in English 14 Nov 83 p 6

[Text]

PENANG, Sun. — Many Chinese youths have been influenced by opposition parties towards negative and narrow thinking especially in facing the political developments and affairs of the country, it was claimed today.

Deputy Minister in the Prime Minister's Department Datuk Lee Kam Sui said that since 1969 the Opposition had been trying to incite the Chinese to fight the Government.

"Even though there is dissatisfaction among certain groups in the Chinese community towards political development, their problems can be resolved through negotiations," he said at an awareness campaign for Chinese youths, organised by the State MCA Youth here.

Datuk Lee, who is also the MCA Youth leader, said that leaders of component parties in the Barisan Nasional could be invited to

negotiate to resolve the problems faced by the Chinese community in the interest of the country.

He urged the Chinese community to study the history of the country and to keep abreast with the affairs of the country and involve themselves in development so that they would not be left behind.

He added that in a multi-racial society like Malaysia there must be understanding among the various ethnic groups to ensure that the existing harmony among the people was preserved.

He said that the ethnic groups no longer wanted to bring up sensitive issues which could bring about racial misunderstanding.

He also said that negotiations among the leaders of political parties would definitely bring benefits to the people and the country.

CSO: 4200/274

## ARMY CHIEF PLEDGES TO KEEP FIGHTING COMMUNISM

Penang THE STAR in English 9 Nov 83 p 7

[Text]

KOTA TINGGI, Tues. — The Malaysian army will continue to fight communist terrorists until every one of them is accounted for, Army Chief Jen. Tan Sri Zain Hashim said today.

"Despite the said surrender of 500 Communist Party of Malaya members in Thailand last month, the threat is still there," he said.

"The communists are a cancer which has to be obliterated. Leaving even one communal unaccounted for is dangerous," he said at a Press conference here today.

In the same context, Jen. Zain said it made little difference whether CPM secretary-general Chin Peng was still alive and operating at the border.

Commenting on reports that Chin Peng was sighted near the border by some of the CPM members who surrendered, Jen Zain said the army had to verify these reports.

"Chin Peng is getting old. Some reports say he has gout. But whether he is alive or dead, the communist menace will remain."

"The CPM can replace Chin Peng. But their objectives have not changed," he said.

On reports that some officers from the Malaysian

army were unhappy over the surrender of the CPM members believing that these people were trying to infiltrate society, Jen. Zain said:

"I do not think the officers are unhappy. If it is true that there were 50 Malaysians among those who surrendered, that gives us 50 less communists to fight."

However, Jen. Zain expressed doubt over the nationality of the CPM members who claimed they were Malaysians.

"We do not know who they are. We will only know for sure whether they are Malaysians once we obtain a proper list," he said.

Jen Zain also did not discount the possibility that the surrendered CPM members would face the consequences of their past deeds.

The Thai Government had promised amnesty to all CPM members who surrendered. However, no such promise was elicited by the Malaysian Government.

Jen Zain said:

"If these people come to Malaysia, we will look into their cases. If they have committed offences, they will have to face the consequences."

CSO: 4200/274

DEPUTY PRIME MINISTER CONTRASTS BN, DAP LEADERSHIP

Penang THE STAR in English 15 Nov 83 pp 1, 2

[Article by Ho Wah Foon]

[Text]

SEREMBAN, Mal — The Barisan Nasional component parties practised democracy and their leaders are continually being replaced by new ones, Deputy Prime Minister Datuk Musa Hitam said today.

The resignation of the MCA's former president, Datuk Lee San Choon, as the MP for Seremban should therefore not be construed as "running away or betraying" the people of the constituency, he added.

After struggling for so long for the MCA and the Barisan Nasional, it was natural for Datuk Lee to step down and pave the way for other aspiring leaders, Datuk Musa told a large ceramah crowd at the Negri Sembilan Chinese Recreational Club here.

On the contrary, he said, the DAP did not provide such opportunities for their young leaders.

For 18 years, the DAP's chairman and candidate for the by-election, Dr Chen Man Hin, had been at the helm, he added.

And the same applies to its secretary-general, Mr Lim Kit Sieng, he said.

Datuk Musa said that promises for the development of Seremban made by Datuk Lee during his campaign in last year's general election would still be fulfilled.

He said that some projects could not take off because of the economic situation. But once the economy improved, the Government would provide more funds for the development of Seremban. Datuk Musa stressed.

He criticised the DAP for its tactics in the by-election campaign. "In the open, they debate on the BMP issue and one language, one culture policy in a gentlemanly way."

"But when they go house-to-house in the campaign, they resort to lies and threats and they stir up dissatisfaction among the Chinese voters," he said.

The consequence was that the Chinese could be made to direct their hatred not only towards the Government, but also towards the Malays, he added.

"Don't forget, not for a second or for a minute, that our success today has been achieved through the co-operation and unity of all ethnic groups.

"Don't forget also that the Barisan Nasional represents a political party advocating moderate policies," Datuk Musa added.

Datuk Musa also criticised the DAP for adopting a narrow outlook in interpreting laws. Issues were often interpreted along communal lines, he said.

He urged the people of Seremban to vote for Madam Rosie Teh, the Barisan candidate.

"We were given a chance last year. We want the people to give us another chance this year because we don't want to go back to square one," he told reporters after the ceramah.

He said criticism on policies and finding solutions to problems could be easily done in a "family atmosphere" and not with someone who was trying to find fault with the Government.

Datuk Musa said that the Barisan candidate would be a full-time politician as opposed to Dr Chen who had "one leg in Singapore and another in Malaysia."

He was apparently referring to Dr Chen's family being in Singapore while he is here in politics and practising as a doctor.

UNION URGES DEPORTATION OF EXTREMISTS

Penang THE STAR in English 9 Nov 83 p 2

[Text]

KUALA LUMPUR, Tues. — Extremists who want to turn the country into an Islamic republic should be "exported" to those countries where they can practise their ideology, Cuepacs president Encik Ahmad Nor said here today.

He said Cuepacs strongly condemned these groups and would co-operate with the Government to check their influence.

"We will not allow proponents of an Islamic republic to penetrate Cuepacs and take control.

"We will also not allow our members to come under the influence of their teachings," he added.

Encik Ahmad Nor was commenting on the statement yesterday by Deputy Prime Minister Datuk Musa Hitam that the Government would uphold constitutional monarchy and would oppose moves by "certain political groups" to set up an Islamic republic here.

Datuk Musa, who is also Home Minister, had said that these groups were using religion to spread revolutionary fervour among Muslims to change the system of government here.

He said they were adopting the politics of force although there were provisions for a peaceful and orderly means of changing government through elections.

Encik Ahmad Nor urged the Government to take stern action to check the extremists before they endanger the peace and harmony prevailing in the country's multi-racial society.

CSO: 4200/274

## MCA BY-ELECTION DEFEAT ANALYZED

Kuala Lumpur NEW STRAITS TIMES in English 21 Nov 83 p 12

[Article by Yee Mee Fah]

[Excerpt]

**SEREMBAN:** The 6,393-vote majority by which Dr Chen Man Hin regained the Seremban parliamentary seat in Saturday's by-election has taken most people by surprise.

Although the scales had been tipped in his favour, pre-polls speculation placed his majority at below the 3,000-vote mark.

Those who put their money on the DAP to win by a bigger majority will be lining up to collect their winnings.

For the people of Seremban it was a choice of whether they were prepared to give Barisan Nasional another chance at bringing development or returning to the Dewan Rakyat their representative of three previous terms.

They chose the latter.

Appeals by top Barisan leaders, including Datuk Muas Hitam, to give the BN the opportunity to continue development that had been set in motion did not quite find their mark.

The MCA's strategy of fielding a woman candidate to attract support from the 49 per cent women voters also bore no fruit.

### Stature

Although from the outset it was evident that the

MCA was facing an uphill task, Barisan officials, however, put up a bold front and gave their candidate a 50-50 chance in the contest.

But observers, including some MCA quarters, quietly conceded that the battle was as good as lost.

The selection of Madam Rosie Teh, a relatively unknown personality who had served as a municipal councillor for 18 months, prior to her nomination, was considered a good strategy to divert the people's attention from the sudden resignation of former MCA president Datuk Lee San Choon as the Seremban MP.

But as things turned out she became a sacrificial lamb.

Now, in the aftermath of defeat, some Barisan circles feel they ought to have fielded someone of Datuk Lee's stature to be able to match a veteran politician such as Dr Chen.

However, in all fairness, Madam Teh performed creditably by securing 17,304 votes or 41.41 per cent of the total votes cast — quite an achievement for a first-timer.

But critics argue that those votes were accounted for even before the campaign. The Barisan had expected the majority of the 13,421 Malay votes and at least 50 per cent of the 9,453 Indian votes to go to its candi-

date.

All that was needed was 10 per cent of the 37,704 Chinese votes for the Barisan to retain the seat. The MCA already has 4,300 members in Seremban.

Dr Chen, 59, is no push-over, no matter how the BN may look at it. To the people of Seremban, especially the poor, he is a good, kind doctor who gives free medical treatment to the needy, who is seldom too busy to attend to their physical ills.

So came polling day, the 22,613 who voted for Dr Chen last year stayed with him. On top of that he had drawn another 1,484 new votes — more than the 845-vote majority that Datuk Lee beat him by, giving him a total of 56.53 per cent of total votes cast.

For all of Madam Teh's qualities she just could not reach the people in the same way as Dr Chen did.

Personalities aside, the Barisan did not give up without a fight. Apart from the door-to-door campaign, over 350 ceramahs were organised throughout the constituency — an average of 25 per day — in an effort to reach as many people as possible.

Their ceramahs were well-spread and well-organised but failed to draw the crowd.

The Wanita MCA after initial squabbles over the candidate (Madam Teh's nomination was not sanctioned by the Wanita at first) did try to make up for lost time towards the later part of the campaign, but by then, pre-

cious time might have been lost.

## Implications

This together with the factionalism that has beset the Negri Sembilan MCA since the change in the national leadership probably dissipated campaign efforts.

The DAP, on the other hand, held fewer ceramahs but they were well attended.

The result of the by-election has broader implications for the MCA as a whole. This is its third by-election defeat over the last 12 months — after Kepayang in Perak and Bandar Raub in Pahang — both at the hands of the DAP.

Observers say apart from the "home ground" advantage, the DAP has also been fortunate at this juncture because there are several current issues which the leaders could and did capitalise on.

The BMF loans scandal and Datuk Lee's resignation without a satisfactory explanation to the electorate, who had only 18 months earlier backed him against Dr Chen, gave the Opposition room for exploitation.

The Barisan appeared to have been placed on the defensive and had to rely on pledges of stepped-up development and its ability to deliver the goods as its main platform.

Any tendency to put all blame for Barisan's failure to retain Seremban on Datuk Lee, would not be right.

EDITORIAL EXAMINES DAP BY-ELECTION VICTORY

Kuala Lumpur NEW STRAITS TIMES in English 21 Nov 83 p 12

[Editorial: "DAP Returns to Oppose"]

[Text] It is often said that a by-election gives any ruling party a clear edge over the opposition because it is able to concentrate all its resources to ensure victory. What is frequently not acknowledged however is that that same advantage applies equally to the opposition. Of course the resources of a ruling party usually are far greater than those of the opposition; but this is as true of a general as of a by-election. And, if issues harmful to the Government exist in the vicinity of a by-election, such as the BMF scandal, they would certainly boost the electoral chances of the opposition, whereas a ruling party is not likely to time a general election where it can help it during such periods. The DAP victory in the Seremban by-election therefore is not really surprising.

Which is not to say that it is no cause for concern or that there should not be a close analysis of the particular local reasons for the Barisan defeat. The DAP has converted a defeat by 845 votes in 1982 into a victory by the handsome margin of 6,393 votes this time around, the kind of margin in the same class as the victory in 1978 (majority 8073) and well ahead of the 1974 win by 3339 votes. Former MCA chief Datuk Lee San Choon's famous victory last year begins to look like a flash in the pan, the outcome of a gladiatorial duel then with DAP leader Lim Kit Siang--if the latter had taken up his own electoral challenge--something forever denied the electorate. But this much the Seremban electorate now seems to prefer--the DAP, after the brief flirtation with the MCA.

Again, why? Barison Nasional through the MCA did not have that much time to show the electorate the full advantages of voting in the ruling party. The previously elected MP did not have that much time to consolidate his and his party's position in his relatively short spell as the elected representative. The period after the 1982 general election furthermore was characterised by recession and a Government economy drive. Thus the full benefits of attention and development were not readily evident whereas a volatile electorate can be notoriously impatient. And the DAP, of course, played on unfulfilled promises and on the theme of an abandoned electorate. Plus the usual welter of communal issues the party is quite adept at raising come election time, not to mention keeping them alive at times in between.

It hurt the MCA. From the poll returns, it does not look like the MCA obtained the Chinese vote beyond its Seremban membership. While the stature of the candidates may also have been a factor, there can be no running away from the fact that in Seremban the MCA has to start all over again.

CSO: 4200/274

DAP DEFEATS BN CANDIDATE IN BY-ELECTION

Kuala Lumpur NEW STRAITS TIMES in English 20 Nov 83 p 1

[Text] SEREMBAN, Sun.--The DAP this morning regained the Seremban Parliamentary constituency when its national chairman, Dr. Chen Man Hin, scored a convincing victory over the Barisan Nasional candidate.

The veteran 59-year-old DAP politician secured 23,897 votes as against 17,504 polled by Barisan's Madam Rosie Teh, to win by a majority of 6,393 votes.

Thousands of supporters gathered at the Tapian Galanggang Paroi counting centre from as early as 8pm when counting began.

The results were announced at 12.50am today by the Returning Officer, Encik Abdul Malik bin Abdul Majid.

A total of 69.4 per cent of the registered electorate of 60,899 cast their votes. There were 868 spoilt votes.

**Victory Pledge**

Dr Chen was seeking re-election after he was side-lined by former MCA president Datuk Lee San Choon following last year's epic battle in the general election in which he lost by 845 votes.

Dr Chen, a local private practitioner, had held the seat for three consecutive terms from 1969.

This time around what was perceived in the last days running up to polling day to be a close fight was, however, not borne out by the result.

Madam Rosie Teh, a Seremban Municipal Councillor until her resignation on being nominated to take on Dr Chen, had banked on her appeal, as a woman, to the fair sex who make up 45 per cent of the electorate in Seremban.

Dr Chen in his victory speech pledged to speak out for the people to the best of his ability.

Madam Rosie Teh also addressed her supporters. She congratulated Dr Chen and said that the 17,504 she received showed she had many "friends" in Seremban.

PAS CALLS FOR NEW ORDER BASED ON ISLAM

Kuala Lumpur NEW STRAITS TIMES in English 19 Nov 83 p 3

[Text]

**KUALA LUMPUR.**  
Fri. — Pas today proposed the abolition of the Constitution and the formulation of a new one based on Islamic principles and teachings.

In voicing its opposition to the constitutional amendments passed by Parliament in August, the party took the position that no number of amendments would solve problems for as long as the Constitution was not one based exclusively on Islamic teachings.

Pas vice-president and information chief Haji Nakhale Haji Ahmad also said at a Press conference today that the amendments, passed by the Dewan Rakyat and Dewan Negara recently, would give way to the abuse of basic rights of the people and endanger the principles of justice enshrined in the country.

He alleged that the amendments to clause 123 (b) of the Constitution would allow the executive to use its wide-ranging powers to influence the judiciary, thereby jeopardising its independence.

CSO: 4200/274

## UMNO LEADER URGES BETTER ANTI-POVERTY STRATEGY

Kuala Lumpur NEW STRAITS TIMES in English 19 Nov 83 p 10

[Text]

TUMPAT, Fri. — The Government has been urged to plan a more effective strategy to eradicate poverty among the Malays while in the midst of the mid-term review of the Fourth Malaysia Plan and in planning the next one.

National Umno Youth Exco member Haji Muhyiddin Yassin, who made the call, said the review and the formulation of the Fifth Malaysia Plan were crucial in meeting the objectives of the New Economic Policy (NEP).

"Although the NEP has been implemented for a long time, the economic position of the Malays is still not satisfactory.

### Priority

"As long as the Government does not plan a more effective strategy to overcome this problem, the economic position of the Malays will

still be at the same level."

Haji Muhyiddin, who is also Deputy Trade and Industry Minister, was speaking at a civics consciousness course at the Town Hall here.

He also presented a cheque from the Kelantan Islamic Foundation to local religious schools.

He said priority should be given to basic amenities to the people especially in rural areas while planning this strategy.

He called on Umno members to defend the country's parliamentary democracy which was the basis of the Constitution.

At the same time, he issued a warning to Pns not to abuse this democracy to do what they liked.

On the assimilation of Islamic values into the administrative system, he said the people should not be suspicious of the Government's efforts.

He also voiced his opposition to any attempt to set up an Iran-style republic.

CSO: 4200/274

## REVIEW OF CENTRAL LOGGING CAMPS SECURITY PLANNED

Kuala Lumpur NEW STRAITS TIMES in English 19 Nov 83 p 10

[Text]

IPOH, Fri. — The central logging camps concept implemented in Perak to prevent communist terrorists getting support from loggers is to be reviewed.

Winding up the debate on a vote of thanks to the Sultan for his opening address to the Budget session of the State Assembly, Menteri Besar Ramli Ngah Talib said a committee had been set up for that purpose.

### State land

The committee will hold its first meeting on Nov. 28 to study views and suggestions regarding the central logging camps.

He was replying to a call by Haji Umar Haji Ismail (BN Longgong) for better security at the camps.

Haji Umar had claimed there were various weaknesses in the concept which had resulted in the logging camps being neglected and salaries for the guards not being paid.

On a claim by Encik Mohamed Fadzlan Yahaya (DAP-Pasir Bedamar) that certain plantations were stealing state land, the Menteri Besar said the Government would investigate.

He warned that the Government would not hesitate to take action under the National Land Code against those responsible if it was true.

On the call by Liew Toon Sin (BN-Pasir Putih) to preserve the pomelo cultivation in Ampang Baru area, Encik Ramli Ngah said the Government will always encourage pomelo cultivation but it should be done in areas allocated for it.

Illegal cultivation will be destroyed when the land is to be developed.

However, in areas not affected by housing, the Government may consider giving grants for pomelo cultivation. A number of lots have been given out.

On the matter of squatters in Bercham Area raised by Mr Lau Dak Kee (DAP Kepong), he said they had been interviewed with the aim of providing them with land.

CSO: 4200/274

INDEPENDENCE FRONT UNVEILS NEW FLAG

Perth THE WEST AUSTRALIAN in English 21 Nov 83 p 51

[Text] NOUMEA, Sun: The New Caledonian Independence Front today unveiled its new Kanak national flag when the French Overseas Territories Minister, Mr Georges Lemoine, arrived from Paris for talks on increased self-government for the South Pacific territory.

About 50 Melanesian demonstrators presented the flag to Mr Lemoine on the airport tarmac after a scuffle with security forces. The flag featured a red arrow, the traditional symbol of Melanesian tribal chiefs, in a yellow sun against a red, blue and green background.

Mr Lemoine's arrival was boycotted by all representatives of the anti-independence RPCR party, which is close to the Gaullist Opposition in France. Those absent from the arrival ceremony included Mr Roger Laroque, the Mayor of Noumea.

The anti-independence leader, Jacques Lafleur, said last week that the RPCR party would boycott the arrival of the French Minister and the talks that he was scheduled to have this week with New Caledonian political parties.

Mr Lafleur complained of lack of consultation by the French Government.

The Independence Front leaders, Jean-Marie Tjibaou, and Yan Celene Ureguei, were at the airport to greet Mr Lemoine.

The Minister brought with him the draft of a new constitution providing a greater degree of internal self-government for the territory.

The draft constitution provides for a territorial executive and assembly with the new powers. But the French High Commissioner would still retain responsibility for law and order, defence and external affairs.

CSO: 4200/263

## POLITICS OF OPPOSITION LEADER EXAMINED

Canberra THE AUSTRALIAN in English 21 Nov 83 p 9

[Article by Alan Goodall: "Head-hunting Still the Key to PNG"]

[Text] IAMBAKEY Okuk, the man whose bid to topple the Prime Minister of Papua New Guinea, Mr Somare, ended this week in a political rout, feigns hurt.

I had just repeated Port Moresby talk of 1000 cases of beer being handed out to voters during his recent by-election.

Nothing of the kind "sneers the ambitious Opposition Leader." It was 4000 cases."

But isn't that tantamount to electoral bribery?

"Nothing of the kind. Bribery is under the table. Feasts are open to everyone. It's the Highlands way."

And that campaign was nothing like the last national election. At one feast then I killed 500 pigs and 2000 chickens.

"I used to be a rich man. Look at me now. Broke."

But not broken Iambakey Okuk, undaunted at his first bid in the new sitting of Parliament to bring down his old foe Michael Somare, is still determined to repeat his 1980 shock defeat of the Somare Government.

This week's bid failed because seven members of his own National Party deserted him at the last minute before a no-confidence move was brought before the National Assembly. Disgusted, Mr Okuk led his faithful in a walkout. Mr Somare's ruling Pangu Pat turned the no-confidence motion into an over-

whelming 70-0 vote of confidence.

"I will try again," promises the still-ebullient Mr Okuk. "Next time I will have the numbers."

How? With offers of ministries and perks, of course, replies one of his staff when I ask how the bloodless coup will be effected.

The staffer is quite relaxed about it. In a political system of loose party loyalties, he says, it's a matter of which leader offers most. If there are insufficient ministries to go around the defectors, they will become chairmen of government committees. With cars and offices, of course.

Cynical? Practical is the word the anti-Somare activists use in this young independent State which, like all developing countries heavily dependent on commodities for export income, has its full share of unemployment and international debt worries.

But two can play at allegiance buying and Michael Somare has not been leading this nation of 3.2 million since before independence without learning fast political footwork. The survivor of four no-confidence motions in four years, he has emerged more politically confident than ever.

The Opposition Leader's loud demands make some Port Moresby watchers wonder if he has something stronger in mind than parliamentary tactics. But he insists: "There will be no bloodshed. Change will

come within the Westminster system of democracy."

Government supporters dismiss the Okuk drumbeats as "doomed to certain failure." They not only have a comfortable parliamentary majority and the power of the government machinery, they can also mobilise the waverers with more assured promises. Though the Somare faction is taking the Okuk bravado seriously. After the 1980 debacle, they have to.

That Okuk motion brought down the long-reigning Prime Minister Somare and ushered in a two-year rule by Sir Julius Chan, with Mr Okuk as his deputy.

The more painstaking Sir Julius is working towards his own return to power, if need be at the next general election in 1987. That is too far off for the fast-talking, decisive Mr Okuk.

The loosely knit Chan-Okuk alliance continues, but whether Mr Okuk — assuming his headhunting works — would make Sir Julius his deputy prime minister is as hypothetical as whether Sir Julius would accept it. In Okuk strategy, the Treasury would seem ideal for the former prime minister's proven talents.

Nor is the fast-talking Mr Okuk above holding out the deputy leadership to the current incumbent, Plus Wingti. Though the able Mr Wingti disdainfully brushes aside that blandishment.

A Highlander like Mr Okuk, the Deputy Prime Minister has ambitions of his own. He is in direct succession today and believes he has a good chance of becoming prime minister after a post-Somare power struggle.

A palm-fringed Port Moresby dissolves into summer the once-unthinkable is being brunted abroad. Life without Somare as prime minister is being freely discussed. Though not life without Somare. The new era will be life under President Somare.

The chief is too astute to admit to presidential ambitions. He simply makes the occasional noise about wanting to get out of active politics. At 47, he is well qualified by PNG standards to enter the ranks of the senior citizen, and what more deserved way than as the nation's first president?

A commissioned report recommending the replacing of the Queen as head of state was seriously debated in the last session of parliament and all political leaders have paid the change at least lip service.

The guided gradualism that allowed PNG to enter independence and to run its own affairs — admittedly with the help of often-forsworn expatriates and lately with an annual \$20 million in Australian aid — is the force that will dictate the pace of this next change.

Michael Somare is the everyman choice for president. His father-figure image is perfect.

And Mr Okuk is slyly leading the Somare for President campaign, his motive unashamedly out in the open. "I've already told him and I'll tell him again — go and play more golf while I get on with the job of running the country."

And thus Mr Somare hesitates. He distrusts the Okuk enthusiasm. He will not step up until he is certain his Pangu Pati will continue in power, preferably with his own selection as prime minister.

Younger, better educated and perhaps more able men within Cabinet are chafing at the bit. At least three are ready to take over as soon as Mr Somare unleashes a public awareness campaign to

open the way for a Republic of Papua New Guinea within the Commonwealth of Nations.

Pius Wingti must be rated, at least as deputy if not top man. As Acting Prime Minister while Mr Somare was in Canberra for the recent South Pacific Forum last week, the Highlander proved he can make tough decisions. He vetoed all earlier wage determinations and put the public service on collision course with the Government.

Rabbie Namaliu is a popular and capable Foreign and Trade Minister. A former university lecturer, now a numbers man, he is of the Somare mould and hard too.

Tony (dubbed Lord for his so-correct British accent) Siaguru is a strong contender. A Sepik River man who represents Moresby Northeast, he is a hard-working, hard-living former head of Foreign Affairs and very capable. At 37, he can afford to bide his time.

The Education Minister, Barry Holloway, is competent, progressive, loyal but white.

Any one of these government members could succeed Prime Minister Somare. None has yet received the Somare nod, nor will one until that man proves he can handle the shifting loyalties that make PNG politics so fluid and parliament so full of surprises.

And there is always Opposition Leader Okuk. He is back on the political rampage, dashing aside National Court challenges to unseat him and still threatening to topple Mr Somare. All calculations on a smooth transition of power from Mr Somare must take into account the volatile Okuk factor.

All the energy of this former mechanic — now 39 and despite the costly election feasts still financially secure thanks to his coffee plantations — is directed at becoming Prime Minister and soon.

While Port Moresby shelters behind barbed-wire-topped suburban fences from robbers — rascals is the quaint local name for the jobless housebreakers — ambitious MPs can play up electorate fears and play off their allegiance between the various contenders.

Unemployment-caused crime is so rife that the Minister for Finance and former police commissioner Mr Bouraga says it is deterring badly needed foreign investment. Labor Secretary Kuse Kekeda claims 40,000 people enter the labor force each year seeking only 4000 new jobs.

What has Mr Okuk got to offer PNG? "A better country," he replies without hesitation or self-doubt.

"I will set up tax-free industrial zones near Port Moresby and Lae to encourage foreign investors to open up employment-creating manufacturing industries.

"I will encourage new industries like sugar and rice. The Australian Government never allowed these in order to protect Australian farmers.

"I will pursue a foreign policy independent of Australia. Australia is not worried about this part of the world. Look at East Timor. The East Timoreans asked for help and Australia did nothing."

Like any good, wily politician, Mr Okuk gets a little vague on specifics. "The first thing is to change the government," he keeps saying.

To charges that he is a rabble rouser, Mr Okuk looks grieved. "I've quietened down a lot," he says. "I listen to the best brains and make up my own mind, sometimes too fast for people around me."

"I talk straight, and some people don't like that. I have no time to beat around the bush. This country needs so much — and quickly."

One letter writer to the *Post Courier* expressed a fairly common voter reaction: "It is a shame lambakey Okuk seems so intent on proving himself to be big man that he is prepared to do it at any cost," writes Concerned National from Mount Hagen. "Perhaps the real politicians can get on with the job while the sideshow continues."

Unlike Concerned National, Australian expatriates being paid twice to three times the local wages see the "sideshow" becoming increasingly unfunny. Everyone, national or expatriate, wants the leadership show to reach a denouement that allows the country to get back on recovery road.

## PHILIPPINES

### 1982 INFRASTRUCTURE SPENDING DECLINE NOTED

Manila PHILIPPINES DAILY EXPRESS in English 5 Dec 83 p 7

[Text]

**GOVERNMENT** expenditures for infrastructure declined in 1982, marking a break from the upward trend in public investment in this sector registered in the previous three years.

This was noted by the Commission on Audit which found out that while infusion for infrastructure posted a yearly average increase of 27 percent from 1979 to 1981, it suffered a "drastic cutdown" last year by as much as 22 percent.

In its financial audit report of the national government for 1982, the COA found out that actual budgetary releases for infrastructure projects reached only P5.9 billion, which is 26.3 percent or P1.9 billion short of the programmed amount.

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**THE NATIONAL** government set aside an original infrastructure outlay of P7.8 billion in 1982 which is slightly higher than the P7.6 billion earmarked in 1981.

COA reported that 48 percent of P2.9 billion of the public works spending went to construction and

maintenance of road network (roads and highways).

Some P1.29 billion was slashed from the programmed outlay of P4.16 billion for road network, the COA said.

Because of budgetary constraints, the commission added, implementation of infrastructure projects last year was confined to the "most urgent and viable ones."

A contributory factor which caused the slowdown in infrastructure projects was the reorganization of the two infrastructure ministries last year, the COA said.

When the former ministries of public works and public highways were merged, personnel were reshuffled causing temporary stoppage of construction projects.

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**DESPITE THESE** adverse factors, COA's audit findings showed that substantial infrastructure projects were completed in 1982.

These projects include 5,102.7 kms. of roads, 8,479 lineal meters of

bridges, 399,526 square meters of airports/runways, 12,870 wells and springs, 183 ports and harbors and 469 dikes, seawalls, dams, water impounding projects and related facilities.

In addition, the infrastructure ministry built 4,300 school buildings, 14 special buildings and 174 hospitals, sanitaria and health centers.

The audit body discovered that all infrastructure sectors suffered budget cuts last year.

The audit report also said actual expenditures for flood control drainage were reduced to P400 million from the programmed P75 million, ports, P219 million from P475 million buildings, P616 million from P868 million and transportation and communications projects, P378 million from P708 million.

Actual budgetary releases for other infrastructure projects were recorded as follows: water supply, P296 million; communal irrigation, P113 million; and miscellaneous public works, P660 million.

GSO: 4/00/269

PHILIPPINES

AUSTRALIAN DOUBTS ON \$36 MILLION PROJECT AIRED

Manila BULLETIN TODAY in English 30 Nov 83 p 25

[Text] Canberra, Nov. 29 (Reuter)--Australian Foreign Minister Bill Hayden said today a US\$36 million Australian development project in the Philippines was probably not viable and changes had been made to its second stage.

However, Hayden told Parliament the aid project in the northern Samar region undertaken by the previous Conservative government was well-developed.

The first stage of the project to help small farmers by improving roads, introducing irrigation, water supplies and new crops has been completed at a cost of 22 million dollars.

Hayden was asked about claims that the project was used to support the government of President Marcos.

Some aid groups here have claimed roads in the project were being used by the armed forces rather than to benefit local farmers.

Hayden said he had changed plans for concrete highways to all-weather gravel roads when the project's second stage came before him.

He added that it was inevitable that when roads were put down, there was going to be some military use of them.

Hayden said there were groups in Australia which were campaigning on the basis that all aid should be grassroots aid solely to eliminate poverty.

CSO: 4200/267

## CORN SUPPORT PRICE RAISED

Manila PHILIPPINES DAILY EXPRESS in English 3 Dec 83 p 6

[Text] **THE GOVERNMENT** raised Thursday the support price of corn from P1.40 to P1.65 per kilo and the ceiling price from P2.30 to P2.70 per kilo.

The increase in corn prices was recommended last Tuesday by the Cabinet to President Marcos based on the proposed adjustment made by an inter-agency committee, headed by Agriculture Minister Arturo R. Tanco Jr.

The adjustment in corn prices came four days after the support price of palay was increased from P1.80 to P2.10 per kilo and the increase in rice ceiling price from P3.30 to P3.80 per kilo last Monday.

TANCO said that the 17-percent increase in corn prices was brought about by the 27.3-percent devaluation of the peso last Oct. 5.

The devaluation triggered increases in prices of fertilizer, chemicals and seeds, transportation and other farm production costs, including wages and cost of living, Tanco said.

Private corn seed producers had asked for a price increase from P340 to P600 per 20-kilo bag, but this was not approved because many farmers could not afford it.

\* \* \*

"WITH THE price adjustments, however, farmers would now afford the increased costs of farm inputs such as fertilizers, seeds and chemicals. (Corn uses twice as much fertilizers than palay).

About 85 percent of the country's corn output are used by feedmills and livestock growers while the rest (mostly white) are consumed by the population.

Tanco said the devaluation has enabled the country's agricultural sector to be competitive in the world market.

The Philippine price for corn in the Japanese market, for instance, is 15 to 20 percent less than that for US corn.

"This means that we have tremendous opportunity to export corn to Japan and Taiwan," Tanco said. Japan last year imported \$2 billion worth of yellow corn.

Although the Philippines is still importing yellow corn, agriculture ministry officials said that by 1986, the country will be exporting yellow corn to its neighbors because of increased productivity.

COD: 4300/269

BUSINESS COMMUNITY RECOMMENDS THREE-POINT PLAN

Manila BULLETIN TODAY in English 2 Dec 83 pp 1, 10

[Text]

The business community unveiled yesterday a three-point plan designed to cushion the impact of massive layoffs and plant shutdowns and minimize the effects of shortage of imported raw materials due to lack of foreign exchange allocation.

The plan was announced to industry leaders representing the 1,500 largest industrial firms in the country at a symposium sponsored by the Philippine Chamber of Commerce and Industry (PCCI).

A private task force created by PCCI and the Ministry of Trade and Industry (MTI) to address the country's balance of payments (BOP) problem recommended the adoption of the plan in view of the impending dislocation of workers in the first quarter of 1984.

Due to the current squeeze in the opening of

letters of credit to import materials, task force head Raul Concepcion said industries can import raw materials by April next year, at the earliest, if LCs are to be opened this month.

It was observed that shipments of raw materials into the country carry a lead time of about three to four months from the time LCs are opened. For the past six weeks, no LCs have been opened except for the initial \$50 million approved recently.

Concepcion said the figure pales in comparison with the monthly importation requirement of \$700 million by industries.

The task force did not estimate how many employee would be laid off but it said a broad spectrum of industries would close shop.

For those who will be laid off, the task force recommended as the first

point of the plan that industrial firms undertake the following measures:

1. advance the payment of the 1984 vacation and sick leave to the first quarter of 1984.

2. grant a one-month salary loan payable upon recall of the worker.

3. request the Social Security System to grant a special unemployment assistance loan amounting to two months salary of workers.

4. encourage the laid off employees to go back to the province where the cost of living is cheaper.

The second point is for industrial firms to undertake a determined effort to penetrate the export market by selling their products on a marginal costing basis.

The third recommendation calls for leaders of business and industry to set an example in a change of lifestyle and avoid ostentatious consumption.

CSO: 4200 / 267

PHILIPPINES

MINISTRY OF LABOR WARNS OF FURTHER LAYOFFS, CLOSURES

Manila BULLETIN TODAY in English 2 Dec 83 pp 1, 8

[Article by Chita Parazo]

[Text] The Ministry of Labor and Employment (MOLE) has informed the Cabinet that the current massive layoff of workers will continue up to 1984 unless immediate measures are taken by the government to ease import restrictions on import-oriented industries.

In its report to the Cabinet, the MOLE disclosed that 50 more manufacturing firms will be forced to stop operations starting January next year because of dwindling supply of raw materials as a result of import restrictions.

Other business firms are trying to stretch their operations through a reduced workweek to keep all their employes working, the MOLE said.

The Securities and Exchange Commission (SEC) reported last week that 156 firms stopped their operations in the past 10 months, laying off thousands of workers and withdrawing about ₱600 million in capital investments.

The labor ministry pointed out that the first three months of 1984 will be "very crucial" for all manufacturing industries which need imported raw materials.

If the government limits its import bill next year to \$5 billion, the employment rate in the textile, machinery, and metal industries would slide down by 16 per cent, the MOLE said.

This means that out of the 158,000 workers in the textile, machinery, metals, chemical, and paper products field, about 24,280 will be laid off, the MOLE said.

The employment situationer showed that in the second quarter of 1983, employment deteriorated because of foreign exchange controls, tightening of credit, and inflation.

The MOLE expressed alarm over the number of layoffs reported. For the month of October, 4,835 workers were terminated in Metro Manila as compared to last year's 2,033, an increase of 42 per cent.

During the period Nov. 1-15, the number of workers laid off was 5,159 in Metro Manila, compared to only 3,110 nationwide for the whole month of November last year.

The MOLE predicted that about 21,450 workers in the manufacturing sector will be terminated before the end of the year.

CSO: 4200/267

PHILIPPINES

CACHE OF HOARDED GOODS 'WORTH MILLIONS' SEIZED

Manila PHILIPPINES DAILY EXPRESS in English 3 Dec 83 pp 1, 6

[Text]

**THE MINISTRY** of Trade and Industry anti-profiteering task force swooped down yesterday afternoon on the suspected biggest hoarder in Metro Manila and seized consumer goods worth millions of pesos in Binondo, Manila.

The MTI anti-profiteering task force padlocked the store and bodega of Sui Sing Commercial following the filing of charge of hoarding, profiteering and price manipulation by Bureau of Domestic Trade Director Lilia B. de Lima in behalf of Trade and Industry Minister Roberto V. Ongpin.

The MTI also ordered the cancellation of the business name of the enterprise and summoned its owner and principal officer to submit themselves to formal investigation at 10 a.m. Monday in the BDT office at the Trade and Industry bldg. on Puyat ave., Makati.

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ACCORDING to BDT records, Sui Sing Commercial is a single proprietorship owned by Virginia Lim and headed by Ang Tan Yu as president.

The store of Sui Sing Commercial is located at Santos st., Binondo, while its bodega is at 511 Sto. Cristo st., also in Binondo.

The raiding team, which included Metrocom soldiers, found the store and bodega of Sui Sing Commercial full of milk, detergents, laundry soap,

canned sardines, toilet items, sanitary napkins and other consumer products of assorted brands.

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**THE BODEGA**, consisting of several floors, is complete with a giant elevator, a conveyor belt system, forklifts and other loading equipment which indicates a big and well-organized operations.

Reports reaching MTI task force claimed that Sui Sing Commercial leads a small group of businessmen that dictates the so-called Divisoria price of commodities which even the country's biggest supermarkets refer to when pricing their products.

Reports also claimed that these big supermarkets sometimes get their supplies and commodities from Sui Sing.

The task force is looking for other bodegas where Sui Sing is suspected to be hoarding more products.

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**THE TASK FORCE** will conduct this morning an inventory of the commodities in the store and bodega of Sui Sing Commercial to ascertain their value and quantity.

The task force posted police and Metrocom soldiers in the store and bodega to make sure that they remain closed and that the commodities are not taken out without authority.

CSO: 4200/269

PHILIPPINES

POLISH TRAINING SHIP VISIT EXPECTED

Manila BULLETIN TODAY in English 6 Dec 83 p 15

[Text]

The training sail ship, "Dar Mlodziezy" of the Polish Merchant Marine Academy, Gdynia, Poland is arriving today for a four-day goodwill visit.

On board the three-masted steel vessel are 41 marine officers and crewmembers under the command of Capt. Olechnowicz and 137 nautical cadets and instructors.

The Dar Mlodziezy has an overall length of 108.6 meters, engine power displacement of 625 KW and a service speed of 11 knots.

The Philippine Merchant Marine

Academy (PMMA), the counterpart of the Polish Merchant Marine Academy, will play host to the visiting training ship. The ship will be open to the public on Dec. 8 from 2-5 p.m.

According to United Philippines Lines, Inc., local agent of the training ship, the officers and crewmembers of the vessel headed by Capt. Olechnowicz will pay a courtesy call on Mayor Bagatsing shortly after their arrival at 9 a.m. at the Manila South Harbor.

CSO: 4200/269

## METRO MANILA FACES 5 PERCENT WATER REDUCTION

Manila PHILIPPINES DAILY EXPRESS in English 2 Dec 83 p 1

[Article by Alice Reyes]

[Text]

**UNLESS METRO** Manila and its immediate environs experience a heavy rainfall in the next few days, water supply in the metropolis may have to be reduced by another 5 percent.

Aber P. Canlas, Metropolitan Waterworks and Sewerage System acting general manager, said the first reduction, also by 5 percent, which is equivalent to 80 million liters a day, was due to the shutdown of one of the tunnels from Ipo Dam.

The tunnel had to be closed while it is being connected to Bicuti and then to the Novaliches reservoir, Canlas explained.

With the closure, several areas in Metro Manila started experiencing

low pressure. These include Malabon, Quezon City, Tondo and Navotas.

Canlas appealed to consumers to conserve water during these improvement works even as he promised to restore the normal level as soon as possible.

\* \* \*

**MEANWHILE**, the MWSS has already stationed its personnel in Metro Manila's 16 towns and four cities to receive applications for new water connections.

The deployment of these personnel was agreed upon by Canlas and the Metro Manila Mayors' League headed by Makati Mayor Nemesio L. Yabut.

CSO: 4200/267

PHILIPPINES

KBL UNITY MOVES REPORTED

Manila PHILIPPINES DAILY EXPRESS in English 2 Dec 83 p 4

[Article by Miguel Genovea in the "As We See It" column: "KBL Resolving Disputes"]

(Text)

**W**HILE the opposition is still undecided, the ruling Kilusang Bagong Lipunan is slowly mending political fences. In resolving party disputes this early, it is obvious that the KBL would want to have a solid front in the coming elections for members of the regular national assembly.

As titular head of the KBL, President Marcos has initiated moves towards party unification. It is for this reason assemblymen and local officials in controversial areas are summoned to Malacanang for consultations.

Among those who called on the President recently were Gov. Benjamin Palispis of Benguet, Gov. Natalia Dumiao of Nueva Vizcaya and Assemblyman Carlos Padilla.

The need for the KBL to solidify its ranks in the coming elections cannot be overemphasized. With the growing number of anti-government elements, the KBL will be facing its toughest battle in next year's elections.

This is the reason why the political leadership is not taking any chances by getting a head start on any possible opponents.

CSO: 4200/267

## FURTHER REPORT ON PRESENCE OF INTELLIGENCE MAN AT AQINO ASSASSINATION

Manila BULLETIN TODAY in English 6 Dec 83 pp 1, 8

[Article by Rev. Panaligan]

[Text]

Why was an intelligence man of the Aviation Security Command (Avsec-com) inside the security area of airport Gate No 8 when former Sen Benigno S Aquino, Jr was assassinated last Aug 21?

"Yun na nga po ang initrip namin — kung bakit sive natin" (That was just what we were thinking — why the intelligence man was there), said Capt Llewelyn Kavinta, one of the leaders of four teams that provided security for Aquino.

The intelligence man was identified as Sgt Filomeno Miranda, the same Avsec-com man who was photographed running away with Aquino's luggage.

Kavinta said only members of the four Avsec-com teams in charge of security and members of the boarding team were supposed to be near the China Airlines (CAL) plane that berthed at Gate No

## 8. The plane brought Aquino from Taipae

In his testimony yesterday before the fact-finding board, Kavinta said he saw a man in polo barong crouching near the wheel under CAL's left wing right after the shooting.

He said he shouted at the man (Miranda) "Hoy, ano ang ginagawa mo ryan?" (Hey, what are you doing there?)

Kavinta said Miranda stood and raised his two arms.

He said he then summoned Miranda, saying "Hoy halika rito" (Hey, come here!)

Asked why Miranda raised his hand, Kavinta said, "Natatakot eysa na paputukan namin" (He was afraid that we might shoot him).

Kavinta said Miranda ran toward him and, without saying a word, handed him a shoulder bag. Miranda then ran towards the MIA terminal building he said.

Kavinta described Miranda as "tarantang-

taranta" (very confused). Asked why Kavinta did not inquire about the shoulder bag from Miranda, the captain said he was also excited. He said he turned over the bag to Sgt Jesus Mangurali, one of his team members, and said "Alagaan mo ito" (take good care of this).

Kavinta said it was not until four days later, on Aug 25, that he inquired from Mangurali what the latter did with the bag.

Kavinta said he learned from Mangurali that the bag was turned over to the Avsec-com supply room. The bag is now with the PC Criminal Investigation Service, Kavinta said.

Asked about the appropriate weight of the bag, Kavinta said it was not too heavy. It was just like a bag with a book in it, he said.

Asked whether the weight could be compared to a bag containing a gun, Kavinta said that is possible.

Asked whether he opened the bag, Kavinta said he did not because he was so confused, "just like

anybody else at that time."

In his testimony, Kavinta said that when he heard the first shot he asked his men to drop to the ground.

He said he saw a blue-shirted man holding a gun at the time Aquino and his escort Sgt Claro Lat were about to step on the tarmac. Kavinta said he could not fire at the man in blue shirt because he might hit Aquino or his escort.

He said he turned his back to watch out for possible companions of the alleged gunman and then heard bursts of gunfire.

The hearings will resume this morning at the SSS building in Quezon City.

Doctors Bienvenido Muñoz and Salvador Nieto, National Bureau of Investigation medico-legal experts who autopsied Aquino's body at the PC Crime laboratory, will testify.

The board may also recall Kavinta to the witness stand for questioning by the public.

## BATASAN DEALS WITH CONTROVERSIAL STATE SECURITY DECREES

Manila BULLETIN TODAY in English 30 Nov-5 Dec 83

[First in a Series of "Special Reports" by C. Valmoria Jr: "Controversial Decrees"]

[30 Nov 83 pp 1, 8]

[Text]

The controversy over various decrees making rebellion, sedition, and similar crimes against state security — whether committed, frustrated, or attempted — punishable by life imprisonment or death, may be settled soon by the Batasan committee on revision of laws.

While the Kilusang Bagong Lipunan (KBL), the ruling party, maintains that these measures have been adopted in response to the demands of the time, the opposition, including some KBL lawmakers, insists these constitute an infringement or transgression of the citizen's basic and inalienable human rights guaranteed by the Constitution.

The controversy is centered on Presidential Decrees 885, 1736, 1835, 1877, and 1877-A. Some provisions of these decrees now form part of the proposed new Penal Code of the Philippines which the present interim assembly will enact before it bows out to pave the way for the regular Batasan whose members will be elected on May 14, 1984.

The proposed code which was under consideration by the Batasan on second reading, was returned to the committee headed by Political Affairs Minister Leonardo B. Perez for further study and possible amendments.

The original version of the Anti-Subversion Law authored by Rep. Joaquin R. Roces in the House of Representatives and by then Senator Emmanuel

Pelaez in the Senate was passed by the old Congress of the Philippines in 1957. It was originally intended as an act to outlaw the Communist Party of the Philippines and any other associations or organizations having the same purpose or objective.

It was noted that even in its original version, the Anti-Subversion Law was challenged because of alleged constitutional infirmities, among which were the following:

1. It penalized mere membership in the Communist Party and similar organizations. It partook of the nature of a bill of attainder because if inflicted punishment without trial.

2. It violated the Bill of Rights since it curtailed the freedom of expression, association, and belief.

The law was finally brought to a constitutional test before Judge Siemon Ferrer who declared

that indeed the measure was a bill of attainder.

"If the only issue is whether or not the accused is a knowing and voluntary member of the Communist Party, the law is still a bill of attainder because it has created a presumption of organizational guilt which the accused could never hope to overthrow," Judge Ferrer declared.

However, the Supreme Court, speaking through the late Chief Justice Fred Ruiz Castro, overturned Ferrer's decision, but not without dissent. The dissenting opinion was written by Justice (now Chief Justice) Enrique Fernando.

The central argument of then Justice Fernando was that the Anti-Subversion Law could lead to "impermissible inroads to the violation of the Bill of Rights which are the constitutional ramparts for the politically disadvantaged."

[Second article in a series of "Special Reports" by C. Valmoria Jr:  
"The Subversion Law"]

[1 Dec 83 pp 1, 12]

[Text]

The records of the old Congress show that one of the strongest critics of the original Anti-Subversion Law, despite its safeguards, was then Congressman Ferdinand E. Marcos, now President of the Philippines.

The Ilocos Norte lawmaker, who was then a stalwart of the minority Liberal Party (LP), charged that the party in power, then the Nacionalista Party (NP), could easily bend the law to harass and immobilize the minority party and other government critics.

"Time and circumstances must have changed, however, because the former congressman, now the President, introduced the first amendment to the original law on Feb. 3, 1976, with the issuance

of Presidential Decree 885, now known as the Revised Anti-Subversion Law," opposition Assemblyman Filemon L. Fernandez (Pusyon Bisaya, Central Visayas) said.

"Where the original law confined its coverage to imminent subversives or card-bearing communists, the revised version virtually made it a crime to become a member of the political opposition or to criticize the government," Fernandez added.

Fernandez has filed Parliamentary Bill 4681 which seeks to repeal this and all related decrees.

The revised version seems to have expanded the law's application to include even those with the "slightest contact" with subversives. It abolished the need to prove intent to place the government under the control of an alien power. Proof that the purpose of overthrowing the government had

the "assistance of a foreign power" was sufficient.

These provisions appear to some opposition assemblymen more objectionable because of PD 1736 which inserted the phrase "or with the open or covert support of a foreign source of any organization, group or persons."

Other positions being objected to by the Batasan minority are those which provide that the testimony of one witness is sufficient for conviction. No grace period is given for those who may wish to renounce their membership or affiliation with subversive organizations, which would exempt them from prosecution.

Another criticism is that the revised version contains what the minority calls the "almost encompassing" list of acts constituting prima facie evidence of membership

in subversive organizations.

Another opposition lawmaker, Assemblyman Hilario Davide, Jr. (Pusyon Bisaya, Central Visayas), has filed his own bill repealing the presidential decree.

Davide particularly mentioned PD 1735 which imposes the additional penalty of forfeiture of the rights of a person and of his property if he is a Filipino citizen, and confiscation of his real and personal property if he is an alien, if found guilty of subversion, sedition, or insurrection.

The minority lawmaker said the decree is "unconstitutional because it deprives innocent citizens of their basic rights." According to him, the forfeiture of rights as a citizen and of his property is "a most cruel and inhuman punishment, worse than death or imprisonment for life."

[Third in a series of "Special Reports" by C. Valmoria Jr: "Opposition Men Atir Views"]

[1 Dec 83 pp 1, 10]

[Excerpt]

The death penalty may have been justified under the original Anti-Subversion Law for the reason that the conspiracy involves not only the overthrow of government but also the placing of government under alien control and the taking up of arms, legal experts noted.

In all jurisdictions or in any country, for that

matter, the handing over of government to a foreign power is treason and is punishable by death.

However, it has been observed that the revised Anti-Subversion Law still carries the death penalty without the previous condition of placing the government under an alien power.

In this respect, as claimed by opposition Assemblyman Filemon L. Fernandez (Pusyon Bisaya, Central Visayas), the revised law "mutilated" the very philosophy and intent of the original law.

The "almost all-encompassing" list of acts constituting prima facie evidence of membership in subversive

associations has virtually institutionalized "guilt by association" which, according to Fernandez, is a "sick doctrine" enunciated by United States Senator Joseph McCarthy in the 1950s.

In what Fernandez claimed as an intent to "stifle" political dissent and criticism against government, two companion decrees were issued following the "codification"

of the revised Anti-Subversion Law in a presidential decree denying the right to bail to anyone suspected of engaging in subversive activities. Through the issuance of Preventive Detention Act (PDA) which placed the Presidential Commitment Order (PCO)

[Fourth in a series of "Special Reports" by C. Valmoria Jr: "FM Decrees Defended"]

[3 Dec 83 pp 1, 8]

[Text]

Assemblymen of the Kilusang Bagong Lipunan (KBL) defended the government's policies against subversion and decried what they called a "cockeyed view" of the Batasan minority on the situation obtaining in the country.

The majority party lawmakers contend that "the right of the state to defend itself is a right" Public Works Arturo Pacificador (KBL, Western Visayas) said.

Pacificador said it is inconceivable that the people and the nation

will agree to a proposition that change through violence should be a part of a citizen's political rights.

"The criticisms against the imposition of which a nation's leader must uphold at all cost."

"This was what President Marcos did when he issued a decree imposing the death penalty for rebellion, sedition, insurrection, and similar crimes against state security," Assemblyman and Minister of State for

life imprisonment or death for these crimes do not seem to consider the present peace and order situation, exacerbated by a continued opposition campaign for civil disobedience and aggravated by the worsening world economic condition," Assemblyman and Minister of State for Local Governments Salacuib Baterina (KBL, Ilocos Region) said.

"Suffice it to say that those who advocate the overthrow of government by violent means are the most frantic, agitated, and worried about the death penalty, while those who do not have rebellion or treason in their heart are not a bit concerned," he added.

The formulation of national policy against subversion and the enactment of a law on death penalty are not an imposition of the penalty itself, Baterina said.

"Before the penalty is imposed, due process of law is followed, and even after imposition, a review by the Supreme Court is made. After final deliberation by the High Court, there is still the presidential prerogative of pardon which has always been availed of in favor of rebels," Baterina said.

Assemblyman and Minister of State for Labor Jorge Nunez (KBL, Southern Tagalog) cited the policy of maximum tolerance enunciated by the President on the matter of peaceful demonstrations to attain national reconciliation.

"This alone shows the government's sincere desire to provide the citizenry with a vehicle to air their grievances against the administration, which is part of their inalienable rights under the Constitution," Nunez said.

However, he added, no government in the world would countenance lawlessness and anarchy committed by certain elements in the guise of freedom of speech and assembly.

[Fifth in a series of "Special Reports" by C. Valmoria Jr: "Conflicting Views Bared"]

[4 Dec 83 pp 1, 10]

[Excerpt]

It is the opinion of some members of the Batasan committee on revision of laws that Presidential Decrees 1834 and 1835 imposing the death penalty on crimes against national security would be "technically" repealed by the

enactment of the proposed new Penal Code of the Philippines.

However, many members of the ruling Kilusang Bagong Lipunan (KBL) do not share this view, considering that the decrees are pro-

nouncements of a national policy.

If the decrees are to be repealed, they should be included in the repealing clause of the proposed code, the assemblymen said.

The proposed code which is now under con-

sideration on second reading in the Batasan Pambansa, imposes lighter penalties on these crimes.

Rebellion is punishable with prison mayor (six to 12 years imprisonment) and a fine not

exceeding ₱20,000, unless complexed with other crimes. In the latter case, the penalty for a graver offense will be imposed in its maximum period.

The penalty for sedition is also prison mayor but with a fine of only ₱10,000 for the leader and prison correccional (six months to six years imprisonment) and a ₱5,000 fine for the follower.

Subversion is punishable with arresto mayor (one month to six months imprisonment) for the first offense, prison correccional for the second conviction, and prison mayor for subsequent convictions.

Conspiracy and proposal to commit rebellion is punishable with prison correccional in its maximum period and a ₱5,000 fine and prison correccional in its medium period and a ₱2,000 fine, respectively.

Disloyalty of public official during a rebellion is penalized with prison correccional in its minimum period, while inciting to rebellion is punishable with prison correccional in its maximum period and a ₱3,000 fine.

In the case of sedition committed with other crimes, the code prescribed imposition of the penalty for a graver crime in its maximum period.

The code defines rebellion as taking arms and arising publicly to engage in combat government forces, destroy property, commit serious violence, exact contributions or unlawfully divert public funds for the purpose of:

1. Overthrowing the government established under the Constitution.
2. Removing from allegiance to the government or its law, the territory of the Philippines or any unit of its Armed Forces.
3. Depriving the Chief Executive, the legislature or the Supreme Court of any of their powers or prerogatives.

[Conclusion of a six-part series of "Special Reports" by C. Valmoria Jr:  
"Changes in Security Laws Seen"]

[5 Dec 83 pp 1, 13]

[Text]

The policy of maximum tolerance enunciated by President Marcos has made some people see a ray of hope that the controversial decrees making all crimes against national security capital offenses will soon be a thing of the past.

This hope is buoyed up by reports that the committee on revision of laws, codes, and constitutional amendments of the Batasang Pambansa has proposed some modifications "by leave of and in consultation with" the President.

The modifications will be incorporated in the proposed new Penal Code the present interim assembly will enact before it bows out to pave the way for the regular Batasan which will convene on the fourth Monday of July next year after the May 14 elections.

Committee members said it is premature to debate publicly on the merits and demerits of the decrees because these are now the object of study and consultations.

They said these decrees would not have been issued "had it not been for a dire need dur-

ing a crucial period of the nation's struggle for survival."

"It seems that, to this day, there are still segments of the citizenry which favor a strong President to make spot decisions, without legislative sanction, to meet the demands of the time," they added.

The loud outcry for repeal or modification came from a motley group of opposition assemblymen who said the decrees violate the basic and human rights of citizens under the Constitution. Some members of the majority party supported the minority lawmakers.

These efforts also gained support indirectly from the series of public demonstrations organized by other opposition groups calling for justice and a return to democracy.

The sentiment in the demonstrations has been construed to mean "an expression of the people's wish to have a hand, a controlling hand if need be, in the administration of public affairs."

Interpreting the sentiment the other way around, some officials claim the people are fast learning the rudiments of what must be "participatory democracy" which seems to have found roots in the barangays.

But what really is democracy? Very few people take the trouble of finding out what it is.

In the words of James Russell Lowell, "democracy is nothing more than an experiment in government, more likely to succeed in a new soil, but likely to be tried in all soils which must stand or fall on its own merits as others have done before."

Lincoln defined it as "the government of the people, for the people, and by the people." This definition, as understood by perceptive political

observers in the United States, is simply "a compact statement of a political arrangement."

The modifications in the controversial decrees would probably tell the kind of democracy the country has.

CSO: 4200/267

REPORTAGE ON AFP PEACE, ORDER CAMPAIGN

RUC Chief Seeks Leaders Aid

Manila BULLETIN TODAY In English 5 Dec 83 p 35

[Article by Tony Pe. Rimando]

[Text] Cotabato City--Newly-installed Regional Unified Command (RUC) 12 Chief Brig. Gen. Cesar F. Tapia has sought the allout support and cooperation of regional, provincial and municipal officials and residents of the autonomous region of central Mindanao to ensure the success of the military's peace and order campaign in the southern Philippines.

RUC 12 replaced the deactivated Central Mindanao command then under the able leadership of Brig. Gen. Jose P. Magno, Jr. who was transferred to head the RUC in Central Luzon.

General Tapia, known for his role in the successful capture of the Digos (Davao del Sur) bank robbers, said that the maintenance of peace and order is the concern not only of the military but also of local government officials and residents.

The success of the military's efforts to restore peace and tranquility in Mindanao largely depends on the cooperative efforts of local leaders and their constituents, according to General Tapia adding that the central Mindanao unified command with headquarters at the PC Hill in Cotabato city will always be open for any assistance extended by the people.

At the same time, General Tapia expressed his gratitude to AFP Chief of Staff Gen. Fabian Ver, Army Chief Maj. Gen. Josephus Ramas, former Cemcom Chief Brig. Gen. Magno, and Region 12 Lupong Tagapagpaganap ng Pook Chairmen Simeon A. Datumanong for their help in his recent promotion as RUC 12 commander.

Pangasinan PC Reshuffle

Manila BULLETIN TODAY In English 5 Dec 83 p 35

[Text] Pangasinan PC/INP Provincial Commander Elpidio Ablang reshuffled recently his district commanders in a bid to bolster further the peace and order drive of his command.

The move is specially designed to strengthen the campaign against loose firearms, eradication of gambling, and stamping out drug addiction. It is targetted likewise to promote further better relationship with the civilian populace, together with the provincial and local authorities.

Colonel Ablang said Capt. Manuel Quevido, CO of the Alaminos PC/INP and a forceful intelligence officer who has so far discovered the biggest marijuana plantation recorded in the military and effected capture of dissidents in his area, has been moved to the Bayambang PC/INP command. Captain Vergelio Vinluan, CO of the PC/INP, Ablang said, replaced Captain Quevido as CO of the Alaminos district.

Earlier, the provincial commander transferred Major Luciano Florentin to the Tayug PC/INP command to specially put to stop growing criminalities and various NPA sightings in eastern Pangasinan. Florentin recorded the most number of loose firearm apprehensions, as well as smuggled logs. He has likewise effectively eradicated gambling in his previous assignment, it was added.

Col. Ablang disclosed that his command is waging a thorough campaign to promote better relationship with the citizens of the province together with the provincial and local authorities in order to bolster their cooperation in the drive against criminalities, specially those falling under local jurisdictions. He also told local officials to report to him abusive members of his command in order to effect proper action and punishment against them. He informed that he has already effected the discharge from the service various members of his command for various crimes ranging from murder robberies to culpabilities while on duty.

CSO: 4200/269

THAILAND

PRASONG ON SOVIET TANKS, SUPPLIES TO KAMPUCHEA

BK010239 Bangkok THE NATION REVIEW in English 1 Dec 83 p 1

[Text] The Soviet Union has recently dispatched tanks and strategic supplies to Vietnamese troops in Kampuchea in an apparent preparation for the upcoming dry season offensive, National Security Council Secretary Sqd Ldr [Squadron Leader] Prasong Sunsiri said last night.

He said a Soviet ship arrived at a port in Kompong Som of Kampuchea last week after which 15 tanks and a number of supplies were unloaded and handed over to Vietnamese troops.

He said a fleet of six-wheel trucks and strategic supplies were earlier unloaded from another Soviet ship at the same port. Sqd Ldr Prasong speculated the new round of offensive against Khmer resistance forces to be launched by Vietnamese troops later this month.

He said Vietnam was speeding up the construction of an airstrip inside the Kampuchean border opposite Thailand's eastern province of Trat.

The new airport, he said, will have the capacity of receiving military aircraft.

The Foreign Ministry, meanwhile, predicted an influx of Kampucheans into the Thai border soon when Vietnamese troops launched its offensive against Khmer guerrillas.

It called on international organizations to be ready with their assistance at the border.

CSO: 4200/285

**MILITARY TO MOVE 100,000 KAMPUCHEANS AT BORDER**

BK040/40 Bangkok THE NATION REVIEW in English 4 Dec 83 p 2

[Text] Thai military authorities will "clear out" about 100,000 Kampuchean along the border near Amphoe Ta Phraya and Phnum Chat to the north in the wake of an expected Vietnamese offensive which might spark an influx of refugees to the Thai-Kampuchean border areas.

Armed forces chief-of-staff Gen Pramot Thawonchan told reporters yesterday that the Kampuchean along the border will be moved to areas about 25 kms north of Amphoe Ta Phraya.

He said an earlier expected financial problem to implement this plan has been resolved with contributions from certain donor countries.

Gen Pramot said that the evacuation of the Khmers had already started. "We will try to speed up the process before the Vietnamese launch their dry-season offensive," he said.

The chief-of-staff said that there were no indications so far that the upcoming Vietnamese dry-season offensive would be any more violent than that of last year.

"There have not been any major unusual movements by the Vietnamese troops in Kampuchea as far as we would see," he said.

Gen Pramot said that intelligence reports had suggested that Vietnamese troops dotted near the Thai border were at the company and not division size.

"We have not received any reports of their movements of heavy weapons which would indicate massive military activities either," he added.

The general said that the authorities want to move the Kampuchean along the border to move to areas called Dangrek and Samiar Chha-nganh on the Kampuchean side, north of Ta Phraya, which he described as "safer areas."

These two spots are known to include strongholds of the resistance forces of Son Sann and Sihanouk.

(S0) 4200/285

POLAND 'WILLING' TO JOIN COMMISSION ON KAMPUCHEA

BK110146 Bangkok THE NATION REVIEW in English 11 Dec 83 pp 1, 2

[Text] Poland is willing to participate in an international commission to oversee situation inside Kampuchea in the future once peace has returned to the country, Polish ambassador to Thailand Andre Mykovsky said yesterday. The ambassador said Polish Foreign Minister Stefen Olszowski informed Thailand of the Polish Government's stand during his visit here late last month.

Mykovsky was commenting on a statement by Foreign Minister Sitthi Sawetsila that he had asked Olszowski that Poland should be a member of the "International Control Commission" on Kampuchea during the transition period after Vietnam had pulled out its troops from the country on territorial basis. Sitthi told reporters before flying to Washington Friday night that he made the proposal during the Polish minister's visit here. The proposed commission would command a peace-keeping force to be stationed in areas where Vietnamese troops would be evacuated, he said.

The Polish ambassador quoted Olszowski as saying during discussions with his Thai counterparts that because of its experience with his Thai counterparts that because of its experience as a member of the international commission body formed inside Laos during its transition period, Poland was willing to take part in a similar body as far as Kampuchea is concerned. "It is a general statement that he made," the Polish envoy said.

Sitthi also said that ASEAN also had other countries which would volunteer to join in such commission in the future.

Olszowski, who had visited Laos, Vietnam and Kampuchea, before coming to Bangkok, said Poland would like to see good relations and peaceful developments between ASEAN and the three Indochinese countries.

CSO: 4200/285

PREM REMARKS ON RELATIONS WITH LAOS VIEWED

BK090339 Bangkok THE NATION REVIEW in English 9 Dec 83 p 4

[Editorial: "Across the Mekong River"]

[Text] Prime Minister Prem Tinsulanon touched upon Thai-Lao relationship in his speech delivered to the Foreign Correspondents Club of Thailand on 30 November. His allusion was terse but carried with it significance in the sense that it was his first public statement as regards the slow movement towards better ties of the two neighbours.

He said: "I am happy to note that our relations with Laos are going from strength to strength" and "we are realizing our joint aim of turning the Mekong River into a river of peace and friendship between our peoples, who are kith and kin and of the same culture. We will continue to work on our cooperation with Laos, which is bringing benefits to both sides."

We stand for stronger ties between Thailand and Laos and therefore welcome the premier's statement, made in the light of existing disagreements within official circles relating to the formulation of our country's policy towards the landlocked neighbour for the simple reason that we feel that a mature and rational policy in this context has yet to be adopted and pursued with continuity.

In the course of mapping out any crucial policy of a country, different views naturally arise from time to time. The differences should be healthy and have always been so, but then against the background, leaders tend to take up an easy option of doing nothing. Hence, it is the premier's political courage to publicly commit himself to a stand. And again, we think due credit should be given to him for that.

We believe that an improvement in the Thai-Lao relations will be in the best interest of the two countries not only because we believe in the principle of peaceful co-existence among countries with different political and economic systems but also because of the deep historical and cultural ties of the two peoples--a factor that should be given due consideration. After all, Thailand recognizes the Vientiane Government and unlike the situation in Kampuchea, resistance to the Lao Government is now no more than harassment.

Vietnam might also benefit from increased economic transactions between Laos and Thailand, which are likely to effect a significant increase in contacts and transactions between the landlocked country and other Free World countries, including other members of the Association of Southeast Asian Nations (ASEAN). To be more specific, Hanoi's burden to help Laos develop its economy could be eased to a certain extent. Nobody can deny the contention.

But then, Thailand and other Free World countries will gain too. We are not referring to economic gains, which might be and might not be in the national interest but long-term political advantages. Closer ties tend to make countries concerned avoid touching on their differences and to be more considerate of one another. In this case, Laos' geographic dependence on Thailand which should be closely knit with stronger relations is an asset that should be fully made used of.

We are not suggesting that by responding positively to Lao desire for stronger relations, Thailand can "wean" her away from the sphere of Vietnamese influence. That would be wishful thinking which is not based on constraints on the Lao part.

Prime Minister Prem's statement set a positive tone for further actions to normalize Thai-Lao relations but then verbal assurance is not sufficient and we hope that it will entail actions in any form to gesture Thailand's sincerity to work on cooperation of the two countries. We deem such a gesture could be healthy for a delayed annual ministerial meeting on the Thai-Lao border problems, which again we hope will be forthcoming.

CSO: 4200/285

**EDITORIAL VIEWS RESULTS OF OIL, GAS SURVEYS**

BK!51445 Bangkok MATICHON in Thai 15 Dec 83 p 4

[Editorial: "Oil Data 'Play a Trick'"]

[Text] The government has officially acknowledged the result of the latest survey for natural gas in the Erawan field which was conducted by (De Goryer and McNorton) company of Dallas, United States. Consequently, the price of the natural gas the government purchases from Union Oil Company was changed as of last July. However, the Thai people find it very difficult to accept the new finding.

The reason is that in June 1979, the Exploration Company informed the Petroleum Authority of Thailand that the amount of natural gas reserves in the Erawan field had been estimated at 1,528,000 cubic feet. However, its report submitted to the authority in July 1983 showed that the reserves are only 628,000 cubic feet, 900,000 cubic feet less than the earlier figure.

At first, the government did not accept the result of the new survey. Since it has not way to disprove it, it has to accept it and agree to change the purchase agreement. This is a clear example of the total capitulation of an underdeveloped country like Thailand to a multinational firm that is much more superior to it in technology. This should serve as a powerful impetus to force the Thai people to struggle for advanced technology so their country can be genuinely independent in technology as well as economy regardless of how long it might take and how difficult it might be.

The government has admitted that the agreement has fixed both the price of natural gas it purchases from the company as well as the firm to estimate the amount of the reserves. Our country has very little choice and is unable to prevent the company from influencing the surveying firm. Nobody can guarantee that the natural resources of the country and people will not be plundered.

The new report prepared by the exploration firm has not only demoralized the Thai people, but will undoubtedly have adverse repercussions on the country's fifth national economic and social development plan. However, no one should be without hope. On the contrary, both the government and the people should learn the lesson and turn to each other to make a joint effort to develop the country on a self-reliant basis.

### GOVERNMENT UNEMPLOYMENT POLICY EXAMINED

*Source: UNRRA in Thailand pp. 16-27*

#### GOVERNMENT UNEMPLOYMENT: A BUREAU WAITING TO EXPLODE

During the past, the government showed very little interest in the unemployment problem of the people. This can be seen from the fact that the first four national economic and social development plans hardly mentioned the problem at all. And the Fifth Development Plan, the third after such strict targets stipulating that within 5 years, the country would provide for 1.5 million people, with 1.8 million in agriculture and 500,000 in industry, it does not display definite plans or programs for solving the unemployment problem. Concerning this matter, the same year, the secretary-general of the office of the National Economic and Social Development Board (NESDB), admits that the unemployment problem is a major problem that is becoming more and more important and has secondary effects. That is, the number of people who are unemployed is increasing faster and faster. And the reason why the Fifth Development Plan did not even dare to take any action concerning this problem is that there are no data that can be used to analyze the matter in order to know more precisely and provide guidelines for solving the problem. The said statistic is not reliable. Thus, even if it is desired to know the status of the unemployment problem and make this a main policy of this government, it must be admitted that the NESDB is incapable of solving this.

The unemployment problem is a chronic problem that is growing more serious. When this is related to the other economic problems, this might lead to an economic and political crisis that will easily bring about your Government's snap of state since this is the best factor for both the Communist Party of Thailand (CPT) and the "hidden power" to be easily attracted to attack the government.

#### UNEMPLOYMENT: THE PROBLEM A PREDATOR OF THE STATE'S REVENUE

Concerning statistics the figure on the actual number of people unemployed throughout the country, at present no government unit can provide actual figures, or reliable figures that are close to the truth, since the central authority, among past, previous lack of man funds and personnel,

In Thailand, it is very difficult to conduct studies on the number of unemployed and such studies face many obstacles. Thus, the figures from these units have on the number of people unemployed nationwide are just estimates. And sometimes the figures do not match each other, but we can use them to discuss trends in the unemployment problem.

For example, the statistics of some units indicate that in 1981, unemployment nationwide reached 650,000. Of these, 260,000 were openly unemployed but were actively seeking jobs. As for the seasonally unemployed, most were farmers. There were about 5.6 million such people. And about 4.6 million people held jobs for which they were over-qualified. In 1982, unemployment nationwide reached approximately 900,000. Of these approximately 400,000 were openly unemployed. The number of seasonally unemployed reached 5.7 million. And the number of people working in jobs for which they were over-qualified was approximately 6.5 million.

#### The Causes of Unemployment: Lack of Government Policy

Viewed broadly, it can be seen that the two important causes of the unemployment problem are economic causes and causes concerning institutions.

ECONOMY: Certainly, if the economy of the country grows rapidly and investments and business and industrial activities increase at a rate higher than or close to the rate of increase in the number of laborers entering the labor market, unemployment will be only a minor problem or no problem at all. But concerning the reality of Thailand's economic situation, approximately 70 percent of the people are employed in the agricultural sector. But for the most part, the production system is very outdated. Most of the farmers have to rely on the weather. Less than 20 percent of the total area under cultivation is irrigated. And the crop-growing area cannot be expanded. Farmers frequently encounter problems concerning low yields and depressed crop prices. They lack investment capital and have large debts. Many farmers have to rent land aturious rates. Thus, most farmers eventually fall into a vicious circle of poverty. Because of this, there is seasonal unemployment, and there is a continual movement of laborers from the agricultural sector. This is because the agricultural sector cannot absorb all the laborers and cannot provide the farmers with adequate incomes.

As for the industrial sector, even though this sector has expanded greatly during the past 20 years--with the percentage of the value of industrial production in the Gross Domestic Produce rising from 11.1 percent in 1960 to 24.8 percent in 1982--the industrial development that has taken place has not benefited the use of existing labor as much as it should have. This is because in the industrial sector, the number of laborers employed amounts to only 7.4 percent of the total number of laborers. This stems in part from the investment promotion policies of the government, which has granted tax reductions on the import of equipment and tools for investment promotion projects. This has reduced the cost of using equipment. Besides this, there are the

functions of the party such as the problem of manipulating prices, were taken care of as a political factor by some groups and the problem of dispute between the employers and the employees. These problems were eliminated in industry owing to the technology of production by replacing man-made machines more than human power. The result has been that the industrial sector has absorbed fewer laborers than it should have and made the unemployment problem even worse. And this problem will not get worse and worse if the production structure remains unchanged. Thus, it can be said that the past expansion of the industrial sector has not resulted in any major change in the employment structure.

Besides this, Thailand's economy is closely tied to the world economy since we have to rely on imports heavily, particularly crude oil, machinery, other types of capital goods and raw materials important to industrial production. At the same time, agricultural products account for the bulk of our exports. Thus, whenever the world economy goes into a recession, the economic situation in Thailand will be dismal, too. Again, if the weather during that period is not favorable for agriculture, exports of agricultural and industrial goods will drop. This will result in a sharp unemployment in both the agricultural and industrial sectors, and the unemployment problem will become more severe.

Another factor that can affect the employment situation is the national budget. This is an important tool of the government in allocating the country's resources. And this has both a direct and an indirect effect on the country's economy. That is, in some years, if public-sector spending on the economic front increases, the economy will expand and employment will rise, but if spending on the economic front drops, the economy will shrink and employment will decline. It can be seen that during the past 10 years, multi-sector spending on the economic front has continuously declined while expenditures on the military front have increased, and the public debt has increased. For example, expenditures for 1983 have been set at 192 billion baht, which is an increase of only 0.5 percent over those for 1982. This is a rather low rate when compared with past rates. And expenditures allocated for the economic front are only 11.8 percent of total expenditures. A total of 33,447 million baht, or 17.4 percent, has been allocated for paying off loan debts. Thus, the question is: Will the 1984 budget be able to help solve the existing unemployment problem?

**Educational**: The lack of good educational planning by the state is a factor that has played an important part in creating the unemployment problem, particularly unemployment among the educated. The statistics show that unemployment among the educated has risen steadily every year (see Table 1). This is because the number of educated people entering the labor market and labor market demand for people with different levels of education are very far apart. This can be seen in tables 2-5. Even though the differences of technical branches and models in these tables is somewhat different since the statistics were made by several government units, it is clear that the unemployment problem has grown more and more serious among educated laborers. This has happened because

the government's policies on the economy, that is, the government's economic policy and its relationship between the government's policies and the various fields and of the various factors which influence the application of certain laws in all fields. This kind of research requires the government and those involved with it to work closely.

The survey also shows that 18 percent of home economic production is unemployment. At the tertiary level, 10 percent of the unemployed are in agriculture, 10 percent in the secondary sector and 10 percent in the tertiary sector with varying levels. And unemployment among those of working age is very high and an estimate was high also. Thus, concerning the unemployed more than those with middle-level and higher education, problems concerning the different social stratification do not match the demands of the market. In fact, previous concerned people taking jobs for the unemployed are unqualified have arisen. It can be said that this is one of the nation's basic resources and an economic loss.

#### 2. Employment: The Target of the Sixth Development Plan

Even with the data cited above, the Office of the National Economic and Development Board is well aware of the unemployment problem, and it is becoming more and more important. But because not enough data are available, it was not able to pose the unemployment problem as a major target in the Fifth Development Plan. Thus, the ONESDB has decided that the unemployment problem is to be included in the Sixth Development Plan (1981-1985). Advance preparations were begun this year, and negotiations are still 3 years left for the Fifth Development Plan. The reason for this is that the ONESDB knows that it cannot wait until the end of the fifth development plan period before hurriedly carrying out some preparations as was done in the past. The ONESDB will first analyze the current problem and then stipulate policies and measures to solve the problem in stages. And it is thought that everything will be completed a year before the Sixth Development Plan is implemented so that there will be sufficient time to offer comments and make recommendations to the National Assembly on correcting any shortcomings.

During the next 3 years, the ONESDB will work with various organizations to elaborate better and coming up with basic policies concerning the solving this problem. Attention will be given to the areas of self-help in order to formulate correct plans and policies. And it is planned to invite for scholars, people in the task committees and other knowledgeable people to express their opinions on how to solve the unemployment problem in order to help those who are now concerned with this problem and those who will face this problem in the future.

## The Cabinet: Just Awoke From a Deep Sleep

After the Office of the National Economic and Social Development Board stirred and began studying the unemployment problem in a resolute manner, the cabinet saw the importance of this problem and issued an urgent resolution stipulating measures to solve the (immediate) problems. The contents can be summarized as follows:

1. The Ministry of Education and the Office of State Universities must revise the education plans and begin developing vocational guidance programs for students at the secondary, vocational, teacher training and university levels.
2. The Office of the Civil Service Commission will be prohibited from revising the system for evaluating qualifications and raising grades and levels in ways that attach too much importance to university degrees. This will be done in order to get people to stop thinking that a degree is a ticket to a job, which is what people now think.
3. The Ministry of Interior must quickly improve the system for managing Thai laborers abroad in order to give protection and encouragement to Thai laborers abroad. For example, it must begin developing a labor market information program in order to guide the short-term training system in accord with labor market demands.
4. The ministers for economic affairs and the ministries and bureaus concerned with the education and work of the people must take responsibility for the implementation of the policies so that there are soon medium-range and long-term measures for solving the unemployment problem. In addition, the Joint Public-Private Commission for Solving the Economic Problems must find ways to increase the role of the private sector in creating more jobs.

Last August, the cabinet [committee] for economic affairs stipulated two methods for solving the problem of unemployment among those who hold degrees. A nationwide labor market system will be established, and vocational guidance will be provided for those who graduate every year. The Labor Department will be responsible for arranging yearly meetings between laborers and those who need laborers. In particular, concerning the immediate problems, the Labor Department must arrange a week of meetings for laborers and prospective employers during November. As many private individuals as possible must be invited to participate. Besides this, the policy is to have the Ministry of Finance, the Office of the Investment Promotion Board and the Office of State Universities find ways to promote investments, such as by lowering [import] duties for educational institutions that import instructional equipment and tools just as for other types of investments. And it is felt that the number of employment agencies that send laborers abroad to work should be increased and that these agencies should be made more efficient.

The Joint Public-Private Commission for Solving the Economic Problems, which has received a cabinet policy [requiring it] to help solve the unemployment problem held a conference and stipulated the following main policies:

1. Stepping up investments and exports, solving the tax problems, cutting the number of steps required to get permission to carry on a business activity and promoting tourism must be carried out quickly. This will increase employment.
2. To create jobs in the private sector, a system must be created to have the private sector link marketing and financial support in conjunction with the production promotion activities of the public sector. Also, definite plans and programs to support this should be stipulated.
3. Concerning unemployment among people with middle-level and higher educations, there must be coordination between the private institutions and the educational institutions at every stage, such as in stipulating curriculums, providing training and hiring people.
4. Work committees must be formed in order to discuss the details of the plans and programs for presentation to the Joint Private-Public Commission for Solving the Economic Problems, which will then submit them to the government for directives on what to do.

Besides this, government sectors such as the Ministry of Interior, the Office of State Universities and the Ministry of Education have responded to the policies and resolutions of the cabinet. The Ministry of Interior has formed a "special affairs committee and a special affairs work committee to prepare labor operations plans in accord with cabinet resolutions." These two committees will work at solving the labor problems with which they are concerned and for which they are responsible. The Office of State Universities has held a seminar on the topic "Manpower Development, Giving Vocational Guidance at Institutions of Higher Education." The purpose was to inform vocational counselors who counsel students about labor market demands and activities and keep them more up to date on what is happening. The Ministry of Education has formed a special affairs work committee composed of officials from both within and outside the ministry whose work concerns this matter. They will revise the 1984-1986 education plans, particularly the vocational education plan, concerning which statistics show that excess numbers of students are being graduated as compared with labor market demand.

Table 1: Number of Unemployed by Selected Education Levels, 1971-1981

Unit: people

Year	Education Level				
	Secondary	Vocational	University	Higher Vocational	Teacher Training
1971	12,500	6,840	1,200	1,460	490
1972	23,590	8,340	1,880	770	650
1973	15,170	11,980	3,410	5,050	5,160
1974	20,790	10,780	2,210	2,100	4,830
1975	22,330	10,560	1,190	1,220	13,540
1976	29,430	8,830	2,650	1,740	12,590
1977	37,700	14,900	6,200	2,600	13,300
1978	41,300	15,700	6,900	2,800	16,100
1979	44,600	23,600	5,900	3,800	15,800
1980	41,100	23,800	6,900	4,300	12,500
1981	42,000	28,400	15,200	5,800	8,800

Source: National Statistical Office, Report of the Labor Force Survey,  
Whole Kingdom (Round 2), 1971-1981

Note: The data for 1971-1980 included family workers who worked 1-19 hours  
a week and who wanted to work more.

Table 2: Estimated Number of Students and Graduates by Subject at the Tertiary Level (B.A.) Unit: people

Subject	Limited Enrollment University		Open University		Private College		Graduates (Total 1982-1986)
	1982	1986	1982	1986	1982	1986	
1. Medicine and public health	13,551	17,274	9,000	46,100	208	750	20,151
2. Agriculture	5,629	7,415	-	4,500	-	-	10,104
3. Engineering	6,843	9,154	-	-	30	120	1,292
4. Industry and technology	320	985	-	-	-	-	1,789
5. Mathematics and computer science	30	180	-	-	-	-	-
6. Architecture and city planning	1,263	1,475	-	-	-	-	955
7. Science	6,625	7,789	8,150	9,800	100	995	9,360
8. Fine arts	533	945	-	-	-	-	1,194
9. Education	20,037	20,687	145,150	187,920	-	-	90,644
10. Anthropology	8,110	8,061	80,254	75,420	2,940	4,473	18,689
11. Sociology	9,089	10,167	152,610	273,350	3,683	4,216	34,292
12. Law	3,126	3,205	303,614	391,579	2,943	4,549	59,352
13. Business Admin.	4,349	4,548	169,188	265,330	17,071	20,168	55,014
14. Journalism and mass communications	964	964	-	6,000	990	1,100	5,972
15. Home Economics	-	-	1,000	8,450	-	-	970
Teacher training (of the Department of Teacher Training)	21,900	26,600	-	-	-	-	44,740
Source: Office of the National Education Commission, 1981					Five year total		354,518

Table 3: Estimated Yearly Average Number of Additional University-Level Laborers Needed, By Subject  
Unit: people

Subject	Assumption 1			Assumption 2				
	1980-1985	1985-1990	1990-1995	1995-2000	1980-1985	1985-1990	1990-1995	1995-2000
<b>Medicine</b>	<b>1,080</b>	<b>1,221</b>	<b>1,353</b>	<b>1,488</b>	<b>1,087</b>	<b>1,230</b>	<b>1,364</b>	<b>1,500</b>
<b>Agriculture</b>	<b>1,004</b>	<b>1,160</b>	<b>1,307</b>	<b>1,448</b>	<b>1,128</b>	<b>1,325</b>	<b>1,495</b>	<b>1,670</b>
<b>Engineering</b>	<b>2,857</b>	<b>3,473</b>	<b>4,067</b>	<b>4,706</b>	<b>2,887</b>	<b>3,512</b>	<b>3,900</b>	<b>4,465</b>
<b>Science</b>	<b>2,523</b>	<b>2,792</b>	<b>3,128</b>	<b>3,472</b>	<b>2,446</b>	<b>2,835</b>	<b>3,122</b>	<b>7,460</b>
<b>Education</b>	<b>5,454</b>	<b>6,207</b>	<b>6,919</b>	<b>7,639</b>	<b>5,494</b>	<b>6,261</b>	<b>6,971</b>	<b>7,698</b>
<b>Anthropology</b>	<b>2,123</b>	<b>2,462</b>	<b>2,787</b>	<b>3,111</b>	<b>2,131</b>	<b>2,471</b>	<b>2,781</b>	<b>3,100</b>
<b>Sociology</b>	<b>8,166</b>	<b>9,533</b>	<b>10,845</b>	<b>12,082</b>	<b>8,233</b>	<b>9,623</b>	<b>10,832</b>	<b>12,046</b>
<b>Law</b>	<b>1,530</b>	<b>1,772</b>	<b>2,006</b>	<b>2,233</b>	<b>1,538</b>	<b>1,782</b>	<b>2,007</b>	<b>2,234</b>
<b>Pharmacology</b>	<b>550</b>	<b>642</b>	<b>724</b>	<b>805</b>	<b>550</b>	<b>642</b>	<b>700</b>	<b>773</b>
<b>Other</b>	<b>496</b>	<b>578</b>	<b>655</b>	<b>734</b>	<b>497</b>	<b>579</b>	<b>643</b>	<b>718</b>
<b>Total</b>	<b>25,683</b>	<b>29,840</b>	<b>33,791</b>	<b>37,720</b>	<b>26,001</b>	<b>30,260</b>	<b>33,815</b>	<b>37,664</b>

Source: Research project on Thailand's university-level manpower needs during the period 1980-2000, Office of State Universities.

Table 4: Number of Vocational Students at the Lower, Higher and Technical Vocational Levels

Unit: people

Level and Subject	1982	1986
<u>Lower Vocational</u>	372,220	470,270
Industry	124,670	158,550
Agriculture	25,670	34,890
Commerce	184,360	237,010
Home Economics and Industrial Arts	37,320	39,820
<u>Higher and Technical Vocational</u>	66,580	77,330
(Higher vocational) Industry	26,930	33,500
(Higher vocational and technical) Agriculture	9,120 (8,740)	10,710
(Higher Voc and technical) Commerce	21,230 (17,690)	22,960
(Higher vocational) Home Econ and Industrial Arts	9,300	10,160

Source: Planning Division, Office of the National Education Commission, 1981

Note: Figures in parentheses are for the higher vocational level.

Table 5: Estimated Demand for Vocational Graduates by Level and Subject, 1982-1986.  
Unit: people

<u>Level and Subject</u>	<u>Demand</u>	1982	1983	1984	1985	1986
<u>Lower Vocational</u>	<u>258,720</u>					
Industry	122,900	21,110	22,700	24,430	26,300	28,360
Agriculture	5,050	1,130	980	980	980	980
Commerce	100,700	17,550	18,730	19,810	21,430	23,180
Home Economics and Industrial Arts	30,070	5,300	5,730	5,920	6,420	6,700
<u>Higher Vocational</u>	<u>76,150</u>					
Industry	37,820	6,500	6,980	7,520	8,090	8,730
Agriculture	9,830	1,940	1,780	1,900	2,050	2,160
Commerce	29,690	3,600	3,860	4,070	4,410	4,750
Home Economics and Industrial Arts	7,810	1,380	1,490	1,530	1,670	1,740

Source: Office of the National Economic and Social Development Board.

COMMITTEE RULES AGAINST SPECIAL HOUSE SESSION

BK090411 Bangkok THE NATION REVIEW in English 9 Dec 83 p 6

[Excerpt] The government's Parliamentary Coordination Committee has unanimously ruled against a move by the opposition bloc to open a special House session to, among others, debate the country's deteriorating economy, a committee member said yesterday.

Dr Akhom Sorasuchat (Democrat-Bangkok), a committee member, said the committee, in its decision against the proposed extraordinary session, wanted the government to fully concentrate in administration instead of spending its time on parliamentary debates.

"The opening of a special House session will, according to the committee, possibly lead to political chaos," he said.

Referring to a speculation that the controversial attempt to amend the Constitution might be raised in the special session, Dr Akhom said the time is not right to debate the constitutional amendment despite the fact that there are several points in the Charter that should be reviewed.

"We still have plenty of time to debate the constitutional revision," he said.

Dr Akhom said members of the Parliamentary Coordination Committee who held their latest meeting on 29 November also discussed widely about the present political situation and most of them agreed that the present government is in a stable position and that there is no indication that leads to any political change in the near future.

CSO: 4200/285

THAILAND

FORMER HAN AID TO BE CHARGED WITH DESERTION

BK120222 Bangkok BANGKOK POST in English 12 Dec 83 pp 1, 3

[Excerpt] Nakhon Si Thammarat--An expulsion order is being prepared against Gen Han Linanon's aide Maj Pathomphong Kesonuk for alleged desertion, Fourth Army Commander Lt-Gen Wanchai Chitchamnong revealed yesterday.

Lt-Gen Wanchai, who succeeded Gen Han as Fourth Army commander, told the BANGKOK POST that the order would be forwarded to Army Headquarters in a few days. The action was taken after a guilty verdict was handed down by the committee charged with investigating allegations against Maj Pathomphong.

The commander also said that Army Commander-in-Chief Gen Athit Kamlang-ek agreed with him during a recent meeting that army rules and regulations must be upheld.

"I will issue an expulsion order in a few days and submit it to the army because he (Maj Pathomphong) has violated army regulations by deserting his post here. ...Under military regulations, any soldier who is absent from his post for more than 3 days without proper reasons is guilty of desertion. In Maj Prathomphong's case, he will definitely be fired," Lt-Gen Wanchai said.

Under army regulations, the dismissal of a commissioned officer will be final only when it is endorsed by the defence minister.

The commander said that he issued another order on Saturday for the major to come forward and answer charges against him at the Fourth Army.

Both Gen Han and Maj Pathomphong himself maintained that he had been lawfully transferred from his former post as deputy commander of the Fourth Battalion of the Fourth Army to the Office of the Permanent Secretary of Defense.

Maj Pathomphong insisted that he was supposed to follow only the orders of his new superior now that he had been reassigned.

The two officers explained that the controversial Transfer Order Number 1064/26 was signed by Deputy Defense Minister ACM [Air Chief Marshal] Phaniang Kantarat on 4 November and countersigned by Permanent Secretary Gen Chamnan Ninwiset.

However, Lt-Gen Wanchai yesterday dismissed the argument, saying: "So far I have never seen the order mentioned by Pathomphong. I radioed the permanent secretary's office to inquire about the order and was told that it has already been cancelled. That means Pathomphong is still with the Fourth Army, but he has not turned up for work."

The commander said that he briefed Gen Athit on details of the case and the army chief agreed that if Maj Pathomphong was found guilty he should be punished.

Gen Wanchai said: "We tried hard to reach him because we want to let him know that he should report to work. But he never did. When he didn't turn up, we just had to proceed according to regulations."

In an unprecedented move the Fourth Army went on TV Channel 7 to order Maj Pathomphong to return to his post on Friday night.

Meanwhile, a source close to Maj Pathomphong yesterday told the POST that the officer still considers order 1064/26 valid.

"That is why he has not reported himself to the Fourth Army. He believes that he has already been reassigned to the Office of the Permanent Secretary," the source said.

CSO: 4200/285

THAILAND

MARINE POLICE REPORT OPERATIONS AGAINST PIRATES

BK121431 Bangkok NAEQ NA in Thai 30 Nov 83 pp 1, 2

[Text] Marine Police Commander Police Major General Chira Khruasawan on 29 November reported on operations carried out by the Marine Police Division, with cooperation from the Royal Thai Navy and the provincial police division, in suppressing pirates in the Gulf of Thailand 12 miles off the coastline from Surat Thani, Songkhla, Pattani and Narathiwat Province, with the base of operations in Songkhla Province.

According to Pol Maj Gen Chirat, pirates operating in the Gulf of Thailand are divided into three groups comprising Thai, Vietnamese and Malaysians. The Thai pirates, numbering 70 percent of the whole racket, are involved in robbing Vietnamese refugees and raping the female ones. Vietnamese pirates, meanwhile, rob Thai trawlers. They are equipped with 42 large boats and flee northward to Chanthaburi and Trat Province after each attack making it difficult for authorities to follow them. The Malaysian group is smaller than the Vietnamese group and carries out robberies in southern Thailand. Police are planning to deal with this group by using trawlers as bait.

According to Pol Maj Gen Chira, from January to November the marine police have confiscated 60 million baht worth of ore in smuggling nine cases and 24 million baht worth of fuel oil in two cases of smuggling from Singapore. As for the pirates, the official said the police now have a list of all the 1,000 pirates in hand for further operations against the three different groups.

CSO: 4207/45

THAILAND

STUDENT GROUPS SAID TO BE UNDER POLICE SURVEILLANCE

BK090953 Bangkok LAK THAI in Thai 8 Dec 83 pp 17, 18

[Excerpts] Supreme Commander General Athit Kamlang-ek presided over the opening of a training course for the Thai National Defense Volunteers at Chunlachomkla Royal Military Academy on 26 November.

The training course included lectures on various interesting issues. In particular, the movements of the Communist Party of Thailand [CPT] were presented to meeting by Colonel Bunthaloeng Anaman, chief of the intelligence section of the Internal Security Operations Command.

Col Bunthaloeng Anaman's report shows that students and workers are being closely watched by the authorities. In particular, students have become the biggest target because they were the vanguard of many incidents in the past. Many of them were forced to flee to join the Communist Party of Thailand after the 6 October 1976 incident.

The current president of the Thammasat University student body, Woraphot Osathaphirat, told LAK THAI recently: "We base our campaigns on the desires of the people and on what promotes democracy and justice. This is our principle." He said campaigns are joined by students from various institutions, such as Thammasat, Mahidon and Ramkhamhaeng universities. He said he cannot tell if students are manipulated by the CPT because he does not know who the CPT cadres are. He added: "As far as we know, the Internal Security Operations Command and the police Special Branch infiltrate their men into student ranks. Some special branch men at Ramkhamhaeng University have already been identified."

Many private and government offices have carried out relief operations during the flooding in Bangkok. Students have also participated in these operations, getting in touch with the people. However, government authorities suspect student activities are directed by the CPT. Woraphot said: "We got the idea about helping flood victims from the government." He noted that students had also campaigned on democratic topics, such as by propagating the idea that the Bangkok governorship should be an elective post. He pointed out that the grouping together of 22 education institutions recently was only for the purpose of organizing celebrations of the 14 October incident. He also pointed out that only six institutions participated in the flood relief activities in Bangkok.

In any event, although the officials concerned might not have intended to offend the students with their remarks about CPT infiltration and manipulation of students, such remarks could create misunderstanding, which would endanger the policy of emphasizing political operations to defeat the communists.

The saying: let us be careful but not suspicious, which is spoken often by General Athit Kamlang-ek, should always be kept in mind by government officials in dealing with the people.

CSO: 4207/45

THAILAND

BRIEFS

'PHAK MAI' 'NO SERIOUS THREAT'--The relatively new Laos-based "Phak Mai" communist group represented no serious threat to Thailand's security, Provincial Police Zone 2 Commissioner Pol Lt-Gen Rut Krantharat said yesterday. However, Lt-Gen Rut told the BANGKOK POST authorities should be on the alert as there had been reports of Phak Mai members slipping into Thailand to harass villagers in Mukdahan, Nong Khai, Loei and other northeastern provinces. "Measures to maintain peace and security in areas under Zone 2 responsibility have also been stepped up," he said. According to Lt-Gen Rut, the group consisted of members who had severed their links with the Communist Party of Thailand. But they also faced problems in Laos because it was believed the Laotian Government had not given it any direct support. The commissioners said the only support they could count on was from the small groups of subversives operating near the border. Lt-Gen Rut also expressed doubts that the Phak Mai group would grow into a sizable force, saying "It is very unlikely that their numbers and influence will increase." [Text] [BK110159 Bangkok BANGKOK POST in English 11 Dec 83 p 3]

WELCOMING CEREMONY FOR DEFECTORS--Nan--About 25,000 people will participate in a ceremony to welcome communist insurgents and their sympathizers who have defected to the government side. The ceremony will be held here on 22 December. Deputy commander of the Civilian-Police-Military Unit 32 [CPM-32] Col Phairat Wantrong said supreme commander and Army Commander-in-Chief Gen Athit Kamlang-ek will preside over what he described as "the greatest" one ever held by CPM-32 and the Third Army Region. He said that about 5,000 former communist sympathizers were expected to show up at the ceremony. About 20,000 defence volunteers and village scouts would also participate in the ceremony, which includes stage performances by various groups, he added. Before the ceremony, commander of the First Cavalry Division Maj Gen Sathon Suwanpha will give a news conference on 21 December on the result of the recent "Suriyaphong Four Operation," nicknamed "Operation Bloodless" as well as the details of the ceremony, called "Nan Santisuk" (Peaceful Nan). The Third Army Region initially planned to launch the ceremony on 14 December, but postponed it because of some technical problems. [Excerpts] [BK140418 Bangkok THE NATION REVIEW in English 14 Dec 83 p 6]

CSO: 4200/285

## INTERNATIONAL RELATIONS, TRADE AND AID

### IMPORT-EXPORT ACTIVITIES IN HO CHI MINH CITY REORGANIZED

Hanoi NHAN DAN in Vietnamese 4 Nov 83 p 2

[Article by Bang Chau: "Some New Features in the Import-Export Task in Ho Chi Minh City"]

[Text] Ho Chi Minh City has made great efforts to reorganize importation and exportation. It has taken specific measures to exploit all the existing local potentials to quickly enable importation and exploitation to boost the implementation of the 1983 production plan, to eagerly seek out on-the-spot sources of export goods and to develop cooperation, alliance and joint business with other provinces in matters of investment, purchase and processing so as to create conditions to step up import-export activities in 1984.

The city has outlined and drawn up a plan on 10 principal categories of export goods on the basis of its own strength in terms of land area, professional skills and industrial position; these goods include bicycles, electric fans, desk lamps, leather sandals, gloves, table tennis paddles, embroideries, readymade clothes, wooden utensils and various agricultural and food products such as peanuts, vegetables, fruit, frozen pineapples, dried bananas and so on. To create stable sources of goods in some key provinces (goods not included in production plans after the provinces have fulfilled their obligation to deliver their products to the central level), the Import-Export General Corporation has set up a joint venture with several provinces to invest in fishing at the mouth of the Ong Doc River in Minh Hai and also with Kien Giang in purchasing shrimp and with Cuu Long in processing dried marine products...

The surplus capacities of centrally and municipally run factories have been fully used to do work on contract and to create raw materials for the production of export goods. Some 18 export goods supplying corporations at the precinct and district levels, 5 directly subordinate [to the municipality] corporations, 5 processing enterprises and 1 state farm are conducting a quick survey of the production potentials of precincts and districts and are planning to make timely investments in these installations in order to create a steady source of high-quality goods for export purposes. Relying on the strong position constituted by marine products, the Duyen Hai [Seacoast] Supply Corporation is investing in the production of ice and fishing equipment, delivering in advance a portion of the necessary goods to peasants and preventing commercial bourgeois from expanding their activities to the rural areas and has

collected hundreds of tons of shrimp on behalf of the state trade sector. Instead of having to go out to buy merchandise in a competitive manner as in the past, the Supply Corporation in the 5th Precinct is now able to purchase 50 percent of the exportable goods right in the precinct. The corporation is using export goods to activate and promote production and to prevent the precinct from becoming a commercial center which upsets the price level in the city and provinces.

The Supply Corporation in the 1st Precinct is revamping its organization while expanding its ramified purchasing network rapidly to buy red pepper, bananas and garlic for processing and subsequent delivery to the Import-Export General Corporation. The corporation has also a plan to invest capital in lacquer and resin producing installations and to help them improve product quality and technique.

To unify commercial relations with foreign countries, the city has assigned the principal responsibility to the Import-Export General Corporation. Concerning the purchase of goods from the provinces, the General Corporation alone is authorized to sign contracts directly and to entrust other corporations with the reception of goods. Prices will be ratified by the State Price Commission. Import goods will become part of the exchange goods fund and placed under the guidance of the Municipal Planning Committee.

The Municipal Party Committee has assigned 100 capable commercial cadres to strengthen the Import-Export General Corporation and has simultaneously reinforced the contingent of commercial cadres in various precincts and districts; it has also firmly dismissed a number of deviant cadres and employees.

9332  
CSO: 4209/68

## INTERNATIONAL RELATIONS, TRADE AND AID

### LACK OF RAW MATERIALS FOR BAI BANG FORCES IMPORT OF PULP

Stockholm SVENSKA DAGBLADET in Swedish 8 Nov 83 p 6

[Article by Hakan Bergstrom: "4000 Tons of Swedish Paper Pulp Must Be Bought"]

[Text] The shortage of raw materials has grown into a serious problem for the Bai Bang paper and pulp mill in northern Vietnam. The foreign aid authority SIDA for this reason is preparing a shipment of 4000 tons of Swedish paper pulp to Vietnam so that the paper factory can maintain operation through 1984.

The paper mill in Bai Bang was opened one year ago. From the time the factory was ready the Vietnamese themselves were responsible for supplying the raw materials such as bamboo. Bai Bang is a gigantic Swedish assistance investment which over a ten-year period has cost two billion kronor.

According to the plan 13,000 tons of paper pulp were to have been produced at the pulp mill during the first year. But only 5500 tons came out due to lack of raw materials. Consequently Swedish pulp will be purchased at a cost of 20 million kronor; the money will be taken out of the general assistance appropriation for Bai Bang. With this the operation of the Bai Bang paper mill can be maintained during 1984.

#### Aerial Photography

At the same time 1.8 million hektars of forest in northern Vietnam will be photographed from the air in order to provide the Vietnamese with an estimate of the actual extent of usable forest resources.

"Previous inventories have proved overly optimistic. Clearly forests have to be planted closer to the factory," says Christer Ehnemark, head of the enterprise Scanmanagement of Stockholm which has about one hundred instructors and advisers at Bai Bang.

The raw material shortage has a number of explanations: Hauling distances are too long. The forests as a rule are 10-15 miles from the pulp mill site. The roads and vehicles are not in good condition. Part of the wood supplies intended for use in the pulp factory has been cut for firewood by the poor people.

#### Inadequate Information

Furthermore replantings of forests have not succeeded. Seedlings have died out because of delays in domestic payments. Plants also are destroyed by buffaloes. The concerned forest caretakers must therefore be reinforced, concludes an evaluation team commissioned by SIDA to study the situation at Bai Bang.

"Even basic information has been lacking. The Vietnamese have a species of hardwood called styrax; this is planted during the dry season. Thus the Vietnamese believed erroneously that the pine also should be planted in this period," says department head Christina Rehlen at SIDA.

#### Bamboo Withered

Large areas of bamboo have blossomed and withered away. After its blossoming the bamboo dies. The blossoming takes place normally every fifteen years, and unfortunately this has happened to a great extent during the time of operation of the Bai Bang project.

The lack of raw materials causes brief stoppages in production. Since this spring the installation has spared from longer stops in operation.

Then a rat was trapped in a crucial spot in the central control panel and caused a fire which put a stop to operations for a month and amounted to damages costing several hundred thousand kronor.

9655  
CSO: 3650/45

INTERNATIONAL, RELATIONS, TRADE AND AID

BRIEFS

CONDOLENCES ON PCI LEADER'S DEATH--Hanoi, VNA, 9 December--The Central Committee of the Communist Party of Vietnam today sent its heartfelt condolences to the Central Committee of the Communist Party of Italy over the death of Umberto Terracini, member of the national leadership of the party, one of the founders of the CPI and a staunch anti-fascist combatant. [Text] [OW091918 Hanoi VNA in English 1504 GMT 9 Dec 83]

ETHIOPIAN PARTY DELEGATION ENDS VISIT--Hanoi, VNA, 9 Dec--A delegation of the Commission for Organizing the Party of the Working People of Ethiopia led by Alemu Abebe, member of the party Central Committee and head of the Central Nationalities Commission, paid a friendship visit to Vietnam from 3-9 December. While here, the delegation paid tribute at the Ho Chi Minh mausoleum and visited the late president's home and office. It called at a number of economic and cultural establishments in Hanoi and Bac Thai and Hai Hung Province. The Ethiopian guests were received by Hoang Truong Minh, member of the Central Committee of the Communist Party of Vietnam, head of the Central Nationalities Commission. [Text] [OW091949 Hanoi VNA in English 1505 GMT 9 Dec 83]

GROUP VISITS USSR'S MOLDAVIA--Hanoi, VNA, 12 Dec--The Vietnamese governmental delegation which had arrived in the Soviet Union for the 9th Session of the Vietnam-USSR Inter-governmental Commission for Economic, Scientific and Technological Cooperation, has visited the Moldavian Soviet Socialist Republic. The delegation, led by Tran Quynh, member of the CPV Central Committee and vice chairman of the Council of Ministers, last Saturday had talks with V. Kutyakin, deputy chairman of the Presidium of the Moldavian Council of Ministers. [Text] [OW121950 Hanoi VNA in English 1534 GMT 12 Dec 83]

FRIENDSHIP SOCIETIES SIGN ACCORD--Hanoi, VNA, 13 Dec--A protocol of cooperation for 1984 between Vietnamese and Soviet friendship organizations was signed in Moscow Monday. These organizations are the Vietnam Committee for Solidarity and Friendship Association (VUFA), and the Union of Soviet Societies for Friendship and Cultural Relations With Foreign Countries (USSF) and the Soviet-Vietnamese Friendship Society (SVFS). Under this protocol, these organizations will take an active part in organizing the celebration of the anniversaries of the two countries in 1984, and introduce to the Vietnamese and Soviet peoples the implementation of the resolutions of the 26th CPSU Congress and the Fifth CPV Congress. They will exchange visits and promote their cooperation in the use of mass media and the teaching of Russian in Vietnam. Signatories to the protocol were Trinh Dinh Thai, secretary general of the VCSFOP and vice presi-

dent of the VUFA, and German Titov, president of the Central Committee of the SVFS. [Text] [OW130805 Hanoi VNA in English 0729 GMT 13 Dec 83]

ARGENTINE PRESIDENT'S OATH-TAKING--Hanoi, VNA 13 Dec--A Vietnamese delegation headed by Ambassador Vu Song, President Truong Chinh's envoy, attended the oath-taking ceremony of the new president of the Republic of Argentine, General Raul Alfonsin, in Buenos Aires on 10 December. The Vietnamese delegation was among the 39 foreign delegations which attended the ceremony. At a reception given by the new president at the Saint Martin Palace on the same day, Ambassador Vu Song conveyed to him President Truong Chinh's warmest congratulations. President Raul Alfonsin asked the Vietnamese ambassador to convey his best wishes to President Truong Chinh and other Vietnamese state leaders. [Text] [OW131746 Hanoi VNA in English 1544 GMT 13 Dec 83]

SRV, OTHER TU DELEGATIONS--Vientiane, 14 Dec--(OANA-KPL)--The general secretary of the Central Committee of the Lao People's Revolutionary Party and chairman of the council of ministers, Kaysone Phomvihan, received on 13 December, trade union delegations from friendly countries, which are here for the First Congress of the Federation of Lao Trade Unions [FLTU]. The guests included trade unionists from Vietnam, Kampuchea, the USSR, Cuba, Mongolia, Bulgaria, Hungary, the German Democratic Republic, Czechoslovakia and Poland. Kaysone Phomvihan warmly welcomed all the foreign delegations to the First Congress of the FLTU. He said their presence was yet another manifestation of the friendship and solidarity on the basis of Marxism-Leninism. He stressed the need of strengthening the solidarity among workers and laboring masses in all countries, particularly the socialist countries, in order to struggle efficaciously for world peace and the development of each nation. [Text] [OW141949 Hanoi VNA in English 1546 GMT 14 Dec 83]

SRV, PRK BANKING GROUPS--Vientiane, 14 Dec (OANA-KPL)--Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party CC and chairman of the council of ministers, received here yesterday the national bank delegations of Kampuchea and Vietnam. They had arrived here for the second Indochinese Banking Conference. The Lao party general secretary expressed his wish for further development of the cooperation between the national banks of the three Indochinese countries. [Text] [OW141947 Hanoi VNA in English 1641 GMT 14 Dec 83]

CPV DELEGATION RECEIVED--Hanoi, VNA, 15 Dec--Heng Samrin, general secretary of the Central Committee of the People's Revolutionary Party and president of the Kampuchean State Council, has warmly received in Phnom Penh the visiting delegation of the international department of the CPV Central Committee. The delegation is led by Vu Quang, member of the Central Committee of the Communist Party of Vietnam and head of its international department. President Heng Samrin extolled the militant solidarity and special cooperation between Vietnam and Kampuchea. He said the great achievements of Kampuchea resulted from the great efforts of its entire people under the correct leadership of the PRPK, and also from the great and selfless assistance of the party, the government, the people and the army of Vietnam, of the Soviet Union and other socialist countries. He expressed heartfelt gratitude to Vietnam's assistance in the past liberation struggle of Kampuchea as well as in its present national construction and defence. [Text] [OW150849 Hanoi VNA in English 0817 GMT 15 Dec 83]

## PARTY ACTIVITIES AND GOVERNMENT

### AFRO-ASIAN COMMITTEE ELECTS PRESIDENT, OTHERS

OW091958 Hanoi VNA in English 1529 GMT 9 Dec 83

[Text] Hanoi, VAN, 9 Dec--The Vietnam Committee for Afro-Asian People's Solidarity held a enlarged meeting here today to review its activities in 1983 and discuss measures to enhance them in the coming period.

The participants unanimously appointed Tran Danh Tuyen as president, writer to Hoai, Tran Hoai Nam, and Lieutenant-General Hoang Minh Thao as vice-presidents, and Nguyen Trung Hieu as secretary general, of the committee.

The meeting adopted a statement strongly supporting the 24 November statement of Soviet President Yuriy Andropov.

The statement says that "the USSR and the entire socialist community have carried out firm and timely measures in response to the U.S. imperialists and other international reactionaries with the determination not to let the United States gain military superiority over the Soviet Union and the socialist community, measures aimed at safeguarding world peace and security."

The statement vehemently condemns the United States for causing tension in many parts of the world by carrying out its bellicose policy. It says:

"The meeting is firmly convinced that the Asia, African and Latin American peoples' struggles against the imperialists and international reactionaries headed by the U.S. imperialists, against the Beijing expansionists in collusion with the U.S. imperialists, will certainly win great victory, thus making a positive contribution to the world peoples' common struggle for peace, national independence, democracy, a higher living standard and social progress, against nuclear war."

CSO: 4200/282

## ECONOMIC PLANNING, TRADE AND FINANCE

### REFLECTIONS ON 1978-80 ECONOMIC POLICY

Paris DOAN KET in French Nov 83 pp 15-16

[Article by Henri Van Regemorter\*]

[Text] One would be bold to claim to be able to be precise about the situation in Vietnam when even in the country itself no one would dare to state that he had control over an economy in the midst of change. Faced with a complex and unstable situation, it is normal that there would be a big debate among the population and in the ruling circles over the best means to bring the country out of the transitional period through which it is passing today.

#### Increased Production and Price Rises

In 1983 Vietnam did not have to import foodstuffs. This food self-sufficiency is the best result of the new economic policy put into effect in 1979-80 and designed to encourage individual initiative, particularly of the contract producing which makes it possible to greatly increase agricultural yields.

Is this to say that they are at the end of the tunnel and that all levels of the population are going to see a rise in their standard of living? Undeniably a large part of the peasants -- 80 percent of the population -- lives much better than in the past, and even accumulate some capital. It is enough to travel through the countryside of the Red River delta to confirm, on the one hand, that there are many more people in the fields, and on the other hand, that everywhere they are building new brick houses.

When one knows that in the other poor countries it is always the peasants who are the most disinherited and that a large part of the foodstuffs must be imported (Egypt, for example, imports 40 percent of its food), these results represent an undeniable success of the economic reform and also of the agricultural researchers.

But, while liberalization of the economy stimulates production, it also causes the development of speculation and this increases the sweeping inflation

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\*Astrophysicist, research director of the Paris Observatory (CNRS), president of the Committee for Scientific and Technical Cooperation With Vietnam.

suffered by city-dwellers, cadres, officials, workers, and soldiers alike... While rice production has made it possible to achieve a level of self-sufficiency, the trade deficit is still large: imports are covered only 40 percent. Many products are exported and are lacking on the national market. For lack of raw materials industry -- particularly light industry, textiles, food-processing, plastics, etc. -- is operating at only 40 to 50 percent of capacity. The scarcity of essential consumer goods is resulting in an increase in prices which even the most optimistic estimate to be about 5 percent per month (while the price of rice is relatively stable, that of meat has risen 100 percent in one year).

One can therefore imagine the living conditions of the cadres, whose salaries have only doubled once since 1975. One can no longer live on one's salary alone and must set about finding a second more remunerative job. This situation of great scarcity also explains, why, as in other developing countries, theft of state property, contraband and corruption are growing.

Scarcity and the relative anarchy in the economic and financial situation, which the state controls only partially, brings suffering to broad sections of the population, but is profitable to a minority of drug traffickers who enrich themselves shamelessly. One can see some people spend in one day what an unfortunate teacher or researcher earns in a year!

While they are striving to suppress these excesses, some of which are simply a matter for the courts, there is no question of jeopardizing the new economic policy, even if it is necessary to introduce corrections during its application. There can be no question of reproaching anyone for enriching himself honestly through stimulation of production and increasing yields (it is often easy to make this leap).

#### Aid and Balancing the Budget

The great and difficult stage which they are trying to surmount is that of going from an economy still dependent on foreign aid to the level of self-sufficiency and a balanced budget. During the years 1976-1980, loans and assistance from the USSR and the West have each been about two billion dollars. Throughout this whole period production has remained below consumption, and it was necessary, in order to satisfy needs on a less than modest level, to consume 10 percent of this foreign aid. The welfare state played mainly a helping role by subsidizing the essential commodities (fixing the price of rice at 0.4 dong) which served as a basis for the fixing of very low wages. The budget was obviously artificially balanced.

For two years the state has increased its role as the driving force of the economy and has been trying step by step to conduct an honest policy in prices and wages, at the same time that it has been trying to increase the receipts of the state through taxes on industry, private trade and agriculture. How could they do otherwise when one knows that in 1983 the budget deficit will be 9 billion dongs (reduced to three billion when foreign assistance is taken into account) in an expenditure budget estimated at 50 billion dongs!

Momentarily this economic policy benefits those who put themselves immediately into the production and trade sector (peasants, tradesmen, industries working for export). Officials, teachers, engineers, doctors, technicians, workers whose wages are blocked, are all experiencing great difficulties for which a remedy must be found very quickly.

We will cite here only the example of the scientific cadres of the country. Vietnam is distinguished from other developing countries by the number and quality of its researchers, trained particularly during the war. Due to lack of funds, this potential is nevertheless still poorly utilized and may deteriorate. While it is true that the scientific and technical revolution is the keystone of national development, it is not easy to understand why an engineer or a researcher lives infinitely worse than those who possess a little patch of ground!

#### The Realization of Priorities and Wage Reform

Several priorities have been fixed. An absolute priority for the production of foodstuffs for consumption and export [has been established]. But this problem is linked with that of their preservation (the food-processing industry), with their storage and transportation, and therefore the development of communication routes. Light industry, paralyzed by the lack of raw materials as well as energy, must be revived. The work on the big electric power plants must be pushed forward, but at the same time one must provide for the installation of the grid. Exports must be developed and bold initiatives which at the same time bring foreign exchange back to the coffers of the state encouraged... The task is enormous. The real debate is taking place about the means of achieving it, for voluntarism has never sufficed to realize the ideal of the planners.

In 1979 it was recognized that the old management methods were leading the country to stagnation. The state played a too passive role and its policy of subsidies and wages was not encouraging work and production. The new policy has already made it possible to considerably increase agricultural production and exports. The results obtained in the countryside can be obtained in other sectors if they succeed in motivating the potential of cadres by rewarding the effort of all those who are really contributing to the advances of production.

#### Motivation of Cadres and Economic Take-Off

Vietnam was at war until 1975, a date later than the beginning of the world crisis. Starting in 1979 the US and China organized the blockade of relations with the West at a moment when certain debts were coming due. The avowed aim of its enemies is to paralyze and ruin the economy of the country.

Nothing is therefore more important for the future of the country, including its defense, than its economic take-off thanks to a bold policy favoring domestic initiative and integration abroad. It is Mr Reagan who wants to turn it into a besieged fortress. They must not fall into the trap!

Everyone actually agrees on recognizing the exemplary role played by those who fought to ensure the security of the country. But everyone also knows that Vietnam possesses in addition intelligent cadres and capable technicians who are often underemployed, and sometimes discouraged. It is due to this advantage, due to the motivation of all this human potential by the economic, scientific and technical revolution that Vietnam will emerge from the present crisis and will consolidate the results of the new economic policy.

This is what seems to me to be at the bottom of the debate which is taking place now in Vietnam. It has never been easy to be a Vietnamese throughout history, and every Vietnamese has a right to expect today more prosperity and happiness. It is not easy to find the best way to achieve this. Considerable objective difficulties paralyze the efforts of the poor countries. But Vietnam has trumps which it is only beginning to play!

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## ECONOMIC PLANNING, TRADE AND FINANCE

### PRODUCTION, BUSINESS DISCIPLINE FOR INCREASED STATE REVENUE DISCUSSED

Hanoi NHAN DAN in Vietnamese 4 Nov 83 p 2

[Article by Yen Thanh: "State Revenue Can Be Increased if Production and Business Are Carried Out With Discipline"]

[Text] In the first 9 months of this year, despite numerous difficulties in the situation of raw materials and energy and in the workers' life, many economic units have displayed a high spirit of self-sufficiency and have exploited on-the-spot potentials to develop production. The gross industrial production value has increased by 8 percent over the corresponding period last year. A fairly substantial increase has also been obtained with some products whose sources of accumulation are great, such as cement, fabrics and papers of all kinds. These factors have served as a basis to increase the budget income. Though the state revenue has increased a little bit and has reached 62 percent of the yearly plan norm, it is still low in comparison with the production results and the expenditure requirements of the national economy.

#### Production Cost Bears the Brunt of Expenses

The state revenue is just the difference between the industrial marketing price of each category of product and its wholesale price as charged by an enterprise. To obtain a great differential, one is only authorized to reduce the enterprise's wholesale price, specifically all the expenditures that make up the production cost. The product manufacturing cost is being determined by many factors. Under the [present] conditions characterized by a manifold imbalance and by an usually untimely supply of nonhomogeneous raw materials, enterprises have been obliged to use substitute materials. For this reason, the manufacturing cost is likely to fluctuate. The present general trend is a rise in the individual manufacturing cost of each category of product versus a decline in its quality. The capital accumulated for each product unit is dwindling, followed by a diminuition in the sources of state revenue. With regard to the production of electric power in South Vietnam, the lower water level has led to a reduction in the hydroelectric output and an agumentation in the oil-operated production of electricity, which accounts for an exorbitant rise in the average production cost of each commercial electricity unit. Over the first 9 months of this year, the South Vietnam Electricity Corporation has suffered a loss of tens of millions of dong. Another example is the textile sector for which the fiber imported did not meet the requirements and which failed to manufacture

various kinds of fabrics according to the fixed standards. The result has been an income reduction amounting to hundreds of millions of dong. At a certain bicycle tire factory, the ratio of first-class tires has been reduced by 17 percent while that of second-class and substandard ones has increased by 10 and 11 percent respectively. Consequently, the state revenue has failed to reach the fixed norm.

In many economic units, the current general situation is that all items including expenditures, waste, losses and even corruption are taken into account in determining the manufacturing cost of a product--that is, ascribed to the state budget while these units consider themselves not in the least involved. After using the nonproductive administrative fund beyond the allowed norm, many production units have included in the product manufacturing cost other expenses such as those incurred for festivals, gifts and extra allowances. Therefore, the product unit price and the circulation expenses have risen, thus reducing the source of state income. Some textile enterprise has entered in its accounting book a sum of more than 3.7 million dong and has groundlessly charged it to the production cost; this sum included such expenditures as 35,000 dong for the purchase of hogs for the collective, 15,000 dong for gifts, 22,000 dong as an offer to two unnamed agencies and 98,000 dong for the summer vacation of workers. When inspecting the accounting method applied by a factory in Van Dien, the Hanoi Financial Service has discovered incorrect entries concerning its use of coal and has thus deleted nearly 3 million dong from the production cost. Believing that the sorting and retrieval of baked coal is part of the subsidiary production plan (instead of entering this coal as a raw material saving item for the purpose of reducing the production cost), a power plant has sold it above and beyond the plan in order to raise a fund and increase the workers' income.

#### Illicit Commercial Dealings

At many installations, discipline is still slack in the delivery of products [to the state]. More attention has been paid to the benefit of the laborers and the collective than to the state interests. Instead of creating favorable conditions to develop their potential line of production, many enterprises have stepped up subsidiary production under the pretext of "using the subsidiary to boost the principal one." Actually, this method tends to focus on the benefit to be derived from subsidiary production while neglecting the principal mission. The raw materials supplied by the state according to the plan have been partly and fraudulently set aside or replaced and diverted to the subsidiary production plan. Great expenditures have been ascribed to the principal product in order to increase the benefit to be derived from the subsidiary product. The practice of withholding products for subsequent sale at a high price or for two-way exchange has decreased in comparison with 1980 but is still prevalent. The use of an unaccountable slush fund and the granting of money awards have far exceeded the basic salary paid mainly from the subsidiary production income. Low-echelon employees have tried to protect the high-ranking ones who have, in turn, tolerated the former whenever they misapply the managerial principle and dissipate products. These acts have resulted in diminishing the sources of budget income.

Quite a few state-operated production installations at the local level have slackened the management of cash and products and have lowered their products' quality in order to increase the volume of second-grade goods intended for legal sale elsewhere, thus raising the market prices and causing difficulties to the reform of private capitalist industry and trade. During an inspection of the method applied by industrial production installations in determining the product manufacturing cost, assessing circulation expenses and carrying out intra-mural accounting, the Haiphong Financial Service has found out that the quantity of products omitted in the accounting books or taken out for illegal exchange of goods is still large and that expenditures made contrary to the system regulations represent as much as 10 percent of the production cost.

#### Duty to Make Timely and Full Payments

In view of the above-mentioned situation, the problem facing economic units is to use capital, assets and labor effectively by applying advanced technique, to reduce product manufacturing cost and accurately to carry accounting and balance up the books. Only by doing so can they obtain an increase in the sources of state revenue. At present, our production effectiveness is still low because labor productivity is not high. According to statistics, the productivity of one dong of fixed assets (in the state-operated economic sector) in 1983 is only nearly half that in 1976 and the net income in 1982 is equivalent to only 35.2 percent of that more than 15 years ago. An overall glance will reveal that though the gross social production has really increased, there has been a reduction in economic effectiveness in terms of the level of investments and also a diminution in per capita income. A major cause is the fact that each installation has not yet strictly implemented the newly promulgated policies and systems but has continued to abuse and misuse capital sources, to make indiscriminate investments, to conceal profits, to carry out accounting confusedly, to withhold part of the income to be deposited in the budget or to make untimely payments. A fairly large sum of money belonging to the state budget is still stagnating at various production installations. In Thanh Hoa Province alone, there are four such units--the Chromium Mine, the Thong Nhat State Farm, the Mechanized Agriculture Corporation and the Ba Thuoc Forest Products Corporation--which have not yet deposited money in the [state] budget since the beginning of this year, thus getting more than 10 million dong in arrears with their contribution to the state revenue. There are also five other units which have deposited money perfunctorily and have paid at most only 10 percent of the yearly plan norm.

The state revenue collection plan has been calculated in such a manner as to provide a rational installment for each quarter of the year to meet expenditure needs. A failure to comply with this time schedule will certainly disrupt other investment and construction plans. The practice of accumulating and accelerating the collection at the end of each quarter and year has been prevalent, with the consequence that when the collection is completed, the year has drawn to a close, which makes it impossible to meet expenditures. In 1982, only 9 percent of the state revenue was collected for the 1st quarter but 50 percent of the total yearly revenue was collected in the 4th quarter. In March this year, the nationwide collection for the budget amounted to only 55 percent--65 percent in some localities--of the total amount to be collected for

the entire 1st quarter. Nearly 40 percent of the plan norm for the collection of the state revenue for the 4th quarter [of this year] still remains unfulfilled, which proves that discipline has not yet been strictly enforced in making payments to the budget. A number of localities have on their own authorized grassroots units--especially the locally run enterprises--to lower the collection and payment rate.

To make timely and full contributions to the state revenue is strictly to observe financial discipline. Any increase in this revenue is designed to meet the need to own capital sources to develop production and gradually to stabilize the people's life. Satisfactorily fulfilling the obligation to make payments to the state budget and simultaneously and continuously increasing the local budget and the enterprise's capital sources is creating an essential material condition to implement the plan for production development and for price and market stabilization.

In light of the resolution of the Fourth Party Central Committee Plenum, if we have correct viewpoints and concepts, if we firmly adhere to the overall and economic lines of the party and if we carry out production and business activities with effectiveness and discipline, we will certainly be able to further increase the state revenue and to help establish the new socialist order on the distribution and circulation front.

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## ECONOMIC PLANNING, TRADE AND FINANCE

### STATE COMMERCIAL ACTIVITIES IN MOUNTAINOUS REGION EXPANDED

Hanoi NHAN DAN in Vietnamese 4 Nov 83 p 2

[Article by Tran Phuoc, of Quang Nam-Da Nang: "The Commercial Sector Expands Its Network to Serve the Mountainous Region"]

[Text] Quang Nam-Da Nang has four mountainous districts. The ethnic minorities in these districts live scattered on the highlands stretching from the Vietnamese-Lao border to the region contiguous to the western parts of Nghia Binh and GiaLai-Kon Tum which were revolutionary base areas during the former resistance.

The Provincial Party Committee has issued a resolution to step up the building up of the mountainous districts. With a thorough understanding of the resolution spirit, the Quang Nam-Da Nang commercial sector has made favorable changes in rendering service to people in these areas.

The sector has founded four corporations to serve the mountainous region and has sent there 60 young and healthy cadres who had recently attained an elementary commercial training course. The total number of cadres and employees at 12 commercial shops and 4 restaurants has risen to 400. Many such shops are situated even in the highland areas such as Tat Bo (Tra Mi), Xa Oi (Hien) and La De (Giang). Three cooperatives have also been set up in Tra Mi. Traveling to these remote areas is difficult and takes 6 or 7 days by road. Nevertheless, the socialist commercial sector has tried to provide its service and to supply the people there with enough salt, sauce and lighting oil.

In the first 3 months of 1983, the commercial sector sold 46.2 million dong worth of goods to serve people in the four mountainous districts, fulfilling 68 percent of the yearly plan and achieving a 50 percent increase over the corresponding period last year. All the goods remaining to be sold in the 4th quarter have been transported to these areas prior to the rainy and stormy season. The shops have begun to investigate thoroughly the consumption needs and psychology of tribesmen and have taken care to bring in and sell various kinds of goods including sauce, salt, kerosene, flashlight batteries, ready-made clothes, blankets, mosquito nets, waterproof fabrics, earrings, necklaces and also handtools suitable for production work on the mountain, forest and slash-burn upland soil.

All corporations in the mountainous region have restaurants and tearooms. In Tra Mi District, there are also a tailor shop and a sewing and clothes mending shop. Compared with the same period last year, the sale turnover has increased by nearly 40 percent of which more than 50 percent is represented by locally made goods. The Tra Mi restaurant sometimes has a daily turnover of nearly 20,000 dong and its yearly turnover has come up to nearly 2.7 million dong.

The commercial sector has also actively tried to purchase goods right at their origin. In turn, the mountainous villages have sold to the state bovines, hogs, chicken, honey, firewood, cinnamon and food products. More than 4,025,000 dong worth of goods have been purchased [by the state] in the first 8 months of this year. The foreign trade agency has also directly purchased cinnamon from the two districts of Phuoc Son and Tra Mi. On the average, each tribesman has sold to the state nearly 500 dong's worth of goods per year.

These commercial activities have contributed to the building of mountainous districts and to the organization of farming and life settlement while making people confident in the policy of the party and state. Many shops have won the people's sympathy and have deserved the name of rear service organs for the whole society, thereby contributing to the continuous innovations in the tribe-men's life. These people have begun to consider many commercial cadres as children of their own mountainous villages.

However, faced with the need to render a better service to requite the meritorious deeds of the people living in the former revolutionary base areas, the commercial sector has yet to make greater efforts to clearly understand the consumption needs of the highland people as well as their customs and habits, to deliver goods to the right consumers and to carry out commercial dealings more conveniently. Because the network of the state commercial sector and marketing cooperatives is not yet broadly expanded, people in many areas still have to travel very long distances to buy and sell goods.

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## ECONOMIC PLANNING, TRADE AND FINANCE

### RATIONAL STOCK OF PORK KEPT FOR HANOI PEOPLE DURING TET HOLIDAYS

Hanoi NHAN DAN in Vietnamese 4 Nov 83 p 2

[Article by P.V.: "Pork Stock in Hanoi"]

[Text] As if dictated by a law, the same thing happens every year in the last few months when the Hanoi [state] commercial sector incessantly receives slaughter hogs brought in from various localities according to a distribution plan of the Home Trade Ministry. In recent days, the Food Corporation has been receiving 100 to 130 tons of hogs each day, which is three times larger than the usual delivery. To be able to take delivery of these hogs, it is necessary to prepare transportation means and feed and to repair pens and farms on a large scale--not to speak of the need to step up the purchase in these localities of the hogs to be sold under the obligation and at the agreed price. Though the number of hogs has increased rapidly, the areas of the pens and farms remain unchanged as compared with the past few years. Consequently, hogs have been crammed into pens and a number of them have inevitably died.

To dispose rapidly of the hogs brought in from the provinces, the municipal commercial sector has decided to step up the sale and supply of pork on presentation of ration stamps and coupons, to sell in advance the 4th quarter pork rations and to expand the normal sale of pork. On the other hand, butchering and refrigeration will be performed to get in the greatest stock possible. In addition, cold meat such as steamed pork pies, pates, sausages and fat fries will be produced. Nevertheless, all these procedures will not consume all the hogs kept as a reserve in various pens and farms and kept on consignment by families of cooperative members. The city will pay off the price of the hogs bought but will leave them on consignment in the cooperative members' pens for 60 days. According to the policy of the Municipal People's Committee, districts will draw up a plan on a rational consumption of pork in November and December and will leave the remaining hogs on consignment in the pens of [cooperative members'] families. For each kilogram of hog, the consignee will receive 5 dong if the consignment period lasts more than 2 months and 4 dong if this period is less than 2 months. If the number of kilograms increases, the consignee will be paid according to the market price when the hogs are taken out of their pens. Moreover, the Commercial Service will set aside some kinds of goods such as bicycle tires and monosodium glutamate and will sell them [to the hog keepers] as a reward--that is, at a price lower than the free market one. Cadres in charge of guiding the purchase and consignment will also be rewarded.

It is estimated that Hanoi City will entrust 3,000 tons of hogs to the people. This way, the city will be able to solve the problem of hog overload and stagnation during the [purchase] season, to secure enough pork for sale to the people on the occasion of the lunar New Year and to reduce losses and waste to the minimum.

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